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# HAND-BOOK

INTRODUCING

## FACTS AND FIGURES

IN SUPPORT OF

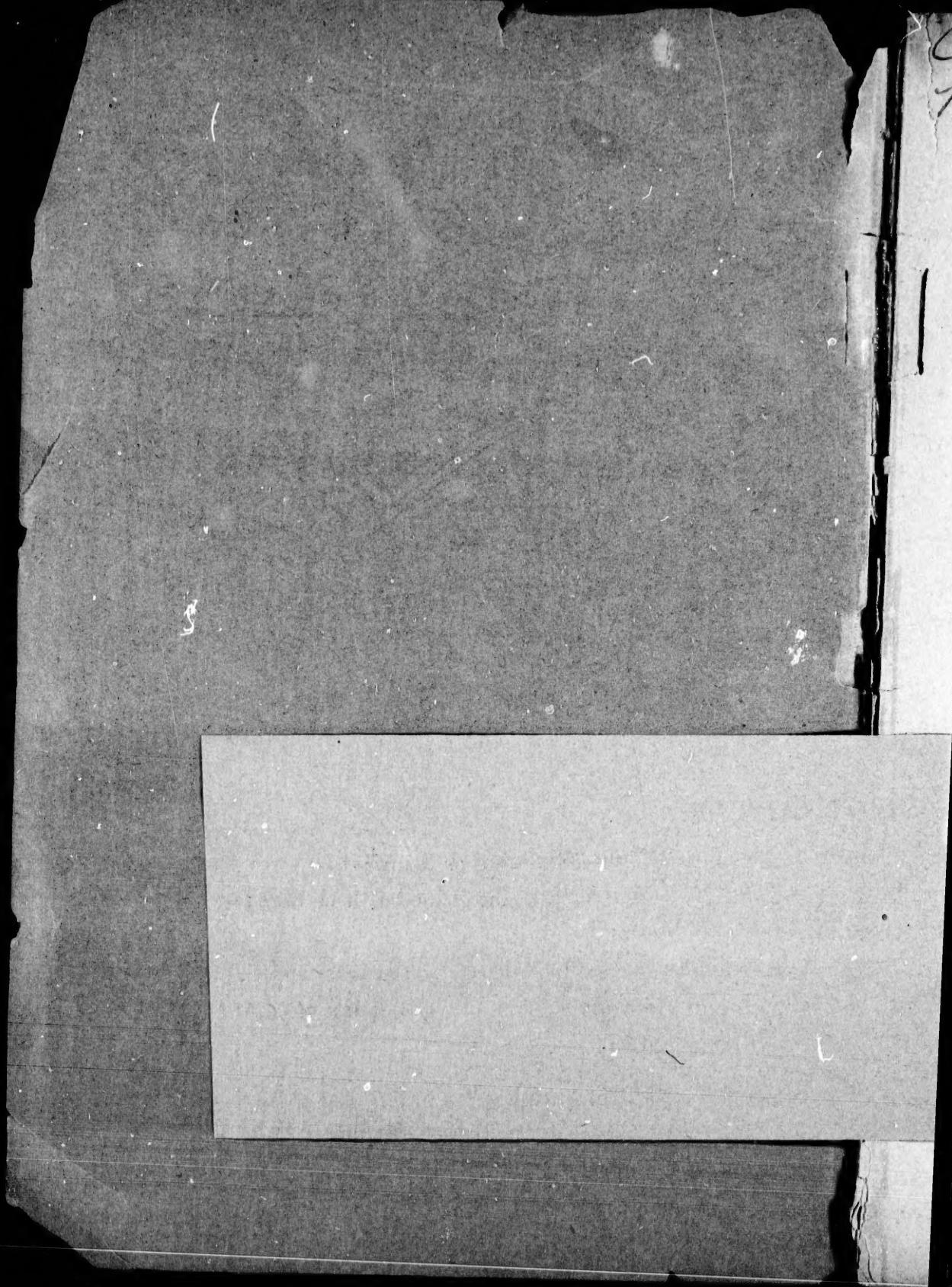
# THE PATRON PLATFORM AND PRINCIPLES.

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ISSUED BY AUTHORITY.

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TORONTO, ONT., NOVEMBER, 1885.



Can. Patrons of Industry of  
Pam. North America

## PATRON PLATFORM.

As adopted at London, Sept. 22nd, 1891,

BY THE GRAND ASSOCIATION FOR ONTARIO

AND AS SUBSEQUENTLY ADOPTED BY THE

GRAND ASSOCIATION FOR QUEBEC

AND, AS FAR AS RELATES TO FEDERAL MATTERS, BY

THE GRAND ASSOCIATION FOR MANITOBA.

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- 1st.—Maintenance of British connection.
- 2nd.—The reservation of the Public Lands for the actual settler.
- 3rd.—Purity of Administration and absolute Independence of Parliament.
- 4th.—Rigid economy in every Department of Public Service.
- 5th.—Simplification of the laws, and a general reduction in the machinery of Government.
- 6th.—The abolition of the Canadian Senate.
- 7th.—A system of Civil Service Reform that will give each County power to appoint or elect all County Officials paid by them, except County Judges.
- 8th.—Tariff for revenue only, and so adjusted as to fall as far as possible upon the luxuries and not upon the necessities of life.
- 9th.—Reciprocal trade on fair and equitable terms between Canada and the World.
- 10th.—Effectual legislation that will protect labor, and the results of labor, from those combinations and monopolies which unduly enhance the price of the articles produced by such combinations or monopolies.
- 11th.—Prohibition of the bonusing of Railways by Government grants as contrary to public interest.
- 12th.—Preparation of the Dominion and Provincial Voters' Lists by the municipal officers.
- 13th.—Conformity of electoral districts to County boundaries, as constituted for Municipal purposes, as far as the principle of representation by population will allow.

(Declaration of Principles on next page.)

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1st.—Maintenance of British connection.

2nd.—The reservation of the Public Lands for the actual settler.

3rd.—Purity of Administration and absolute Independence of Parliament.

## CORRECTION.

On page 39, erase lines 34 and 35 reading as below:—

“While raw sugar is admitted free into Canada, it is taxed 40 per cent. ad. val. in the States.”

And substitute the following:—“While raw sugar was admitted free into Canada previous to the session of 1895, a tax of  $\frac{1}{2}$  a cent a pound on it is now imposed.”

population will allow.

(Declaration of Principles on next page.)

## The Purity and Independence of Parliament.

No director or stockholder of any railroad or other corporation asking for or obtaining any emolument or aid from the Government shall be eligible for election to the House of Commons ; and if such conditions shall occur in the case of a member already elected, his seat has to be declared vacant.

It shall be declared a breach of the Independence of Parliament Act for any member of the House of Commons to accept fees or emoluments other than his yearly salary or sessional indemnity for any services performed for or on behalf of the Government.

No member of the House of Commons shall receive a free pass from any railroad or steamship company ; and the seat of any member so receiving a free pass shall, on proof thereof, be immediately declared vacant, and the person so offending shall be disqualified for membership in the House of Commons or for any position in the gift of the Government for a space of five years.

## Rigid Economy.

The Government House at Ottawa shall be abolished, and the bar-room in connection with the House of Commons and Senate Chamber shall also be abolished.

The system of superannuation, gratuities and pensions, except for military service, shall be abolished.

The Mounted Police of the North-West Territories shall be abolished, except in unorganized districts, in which case the expenditure shall be reduced fifty per cent.

The Military College at Kingston shall be abolished, and the expenditure on the militia force in the Dominion in times of peace shall be limited to \$300,000.

The granting of subsidies and bonuses to railroad and steamship companies and other corporations shall be abolished. (Adopted with the interpretation that when, however, it is found necessary to extend settlement, or to accommodate settlements already established, the Government shall in lieu of land grants capitalize said land at \$1.00 per acre, and assist the said railway or railways to that extent and said land shall be open for settlement with the \$1.00 per acre as a first charge thereon).

The number of civil servants at Ottawa and their salaries shall be reduced.

The High Commissioner in Great Britain shall receive a stated salary without any additions for assistance or perquisites.

## Reduction of the Machinery.

The number of Cabinet Ministers shall be reduced, and the Canadian Senate shall be abolished.

## Tariff and Revenue.

Luxuries shall be taxed to the fullest revenue-producing extent, and the following shall be admitted free into Canada, viz.:—Cotton, tweeds, wool-lens, workmen's tools, farm implements, fence wire, binder twine, coal oil, iron and corn.

## THE NECESSITY FOR ECONOMY.

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The object of this little book is to present facts and figures in support of such of the Patron planks as seem to call for specific consideration. It is not necessary, for instance, to dwell at length on that relating to the purity and independence of Parliament. Obviously a member beholden to Government for pecuniary favor, is not in a position to cast an impartial vote. The acceptance of railroad passes by members is another self-evident evil. Railroads expect a *quid pro quo* in some form from the recipient, and when in addition to putting himself under obligation to the roads for a pass, the member makes believe that he is paying his fare and draws mileage from the treasury, the interests of the taxpayer suffer in more ways than one. The thirteenth constitutional amendment in the batch adopted by vote of the people of New York State, November 6th, 1894, prohibits the issue of passes by railroad, telegraph or telephone companies to public officers. This applies also to members of the Legislature. Other States have adopted similar prohibitions.

It has long been apparent that Canada is too much governed. The over-government began on the division in 1791, when two legislatures and two separate governments, each with its own set of office-holders, were set up for a population not nearly as large as that of Toronto at the present time. So long as Britain paid the bill no one here could complain, but the extravagant system then begun has been perpetuated with imposing additions till now this is probably the most expensively governed country of its size in the world. The Dominion Government and the eight local legislatures contain 700 paid members, including fifty salaried Ministers of the Crown, who meet annually to grind out laws for five million people. In the same proportion it would require 5,000 members to make laws for the United Kingdom. The number required to legislate for the British Empire would be so great that they would have to meet on Salisbury plain. Everything else is pitched on the same exaggerated scale. The number of office-holders, Dominion, provincial and municipal, is simply enormous, the cost altogether beyond our means. It struck the British Government at Confederation that the clothes were too large for the man. "A very important part of this subject," wrote Mr. Cardwell to Lord Monck (Sessional Papers, 1865), "is the expense which may attend the working of the Central and Local Governments," and he went on to express the hope that "the arrangements may not be of such a nature as to increase, at least in any considerable degree, the whole expenditure, or to make any material addition to the taxation and thereby retard the internal industry or tend to impose burdens on the commerce of the country." The answer to such objections was that population was going to increase with great rapidity. Some of the fathers of Confederation expected to see eight, ten, and even twelve millions of people by 1891, whereas we have only five with machinery enough for twenty. The old-line politicians do not care to see the available supply of loaves and fishes diminished. Patrons, on the other hand, advocate a root and branch retrenchment in the interest of purer politics, and for the relief of the actual toilers of the country, who are impoverished through having to support such a horde of salaried non-producers. Further, they believe the knife could be applied all round in heroic fashion without impair-

ing the Federal principle of government, and that no reform is more urgently required.

Debt and taxation have been increasing at Ottawa at an alarming rate while agriculture, the principal industry, has been suffering from depression consequent on the development of new sources of supply by modern agencies, that is to say, when economy ought to have been the watchword. The following table (Public Accounts, 1894), shows the growth of the Dominion debt:

1867.....	\$ 76,000,000	1882.....	\$ 154,000,000
1870.....	78,000,000	1883.....	196,000,000
1873.....	100,000,000	1888.....	234,50,000
1876.....	124,500,000	1892.....	241,000,000
1879.....	143,000,000	1894.....	246,000,000

In the United States till the breaking out of the anti slavery war the highest water-mark of the outstanding principal of the public debt was \$127,000,000 in 1816. The population then exceeded seven and a quarter millions. In 1840, when the population numbered 17,000,000, or over three times ours, the debt was under five millions ; in 1860, when the population was 30,000,000, the debt was \$64,000,000. These figures are given merely to show at what a rate we in Canada are travelling.

As our net debt stands to-day, every constituency in the Dominion is carrying a mortgage of over a million. It is easy to plead that the Dominion has assumed provincial debts, built railroads, annexed new territory. That does not alter the fact that the debt has been increasing much faster than population. Since 1871 the population has grown from 3,600,000 to 4,800,000, an increase of 33½ per cent., whilst the increase in the debt has been over 200 per cent. The rate of interest at which we can borrow has declined because in technical language money has grown cheaper all over the world, though some good authorities question whether this is a wholly unmixed blessing for young communities. The interest and sinking fund charges on the debt now amount to \$12,500,000 per annum, or within a million of our whole expenditure on consolidated fund account at Confederation. If the rate of interest has fallen, it has not fallen as much as the price of farm products. Hence the farmer has really to pay more for the interest on every \$100 of the public debt than formerly. For example, the rate of interest paid on the public debt in 1877 (any year will do) is given as 4.74 per cent.; in 1894 as 3.76. But in 1877 the average gazette price of wheat in the British market was 56s. 9d. per quarter of eight bushels, whereas in July, 1894, it was only 20 shillings. The drop in wheat has thus been far greater in proportion than the drop in the rate of interest, and wheat, cattle, cheese, etc., are the real counters with which the farmer pays his taxes. The politicians are apt to forget that while they have been adding to his burdens, his staple crops, together with his fixed capital or land, have been diminishing in value, so that his candle has been burning at both ends. The amount of interest paid on the public debt in 1877 was \$6,800,000, in 1894 \$10,200,000, but manifestly the load upon the farmer was greater by a good deal in 1894 than the mere arithmetical difference between the two sums.

The growth of the debt to its present serious proportions has taken place, it is important to note, contemporaneously with a large increase in the taxation. The customs, excise, and other taxes have risen from \$11,700,000 in 1867 to \$27,000,000, that is, have more than doubled. The country is in the

position of a man who has been taking a constantly increasing amount out of his business to meet his running expenses, yet finds himself deeper in debt than before. Here again, of course, the increase in the taxes is much greater, measuring them in farm produce, than the bald figures show. The annual expenditure has grown from \$13,500,000 in 1867 to \$37,600,000, an increase of nearly 200 per cent.

Patrons take no stock in annexation, believing that we have a good country of our own if it were properly governed. It is incumbent on us, however, as neighbors and competitors of the United States, to observe that the tremendous increase in the debt and spending accounts of the Dominion has occurred at a time when the people there have been reducing their liabilities with self-sacrificing energy. In 1870 their public debt was \$60 per head. In 1890 it was under \$15, and is now about that, loans having recently been contracted to meet deficits in the revenue and for other purposes. Since 1870 our debt has jumped from \$23 per head to virtually \$50. It is true our debt has been incurred, ostensibly at least, for public improvements whilst that of the United States was contracted for powder and shot, though without doubt an immense economic gain has resulted from the abolition of slavery and the opening of the South to modern industrialism. Anyhow our Federal debt is now over three times greater per head than the Federal debt of the United States. It is greater per head, in fact, than the Federal debt, State debts, municipal debts and school district debts of the United States all put together—a condition of affairs which no Canadian can view with satisfaction. The American figures given in their census reports of 1890 are as follows:—

DEBT.	PER HEAD.	DEBT.	PER HEAD.
Federal.....	\$14.24	Municipal.....	\$13.89
State.....	3.66	School.....	0.59
			\$32.38

During that period also the Americans have abolished the internal revenue war taxes, and reduced their customs tariff, and before long the annual payments for war pensions will disappear. Even now the cost of living and of producing is much the same in both countries. The continuous growth of our indebtedness is, therefore, bound to be a drawback to our future progress. It is idle to say that we are less heavily indebted than Australia, France or Turkey. It is by the American standard that Europeans and even our own people judge us.

#### RAILWAYS AND CANALS.

There were two courses open at Confederation. The United States had just emerged from civil war with a prodigious debt and a Chinese tariff. We had to choose between practising wise economy and persevering with a low revenue tariff so as to make Canada a more desirable home by contrast, or trying to swell ourselves to the size of the ox by means of protection, railroad bonusing and kindred devices for producing artificial growth. The latter was adopted. It is no use enquiring why the politicians chose the worse instead of the better part. The adoption of the Canadian Pacific Railway scheme on the entente of British Columbia into Confederation was the beginning of a boom policy that has landed us in a sea of debt without adding commensurately to the population. The outlay on railways and

canals, including the amounts spent before Confederation and the expenditure by provinces and municipalities, amounts to about \$260,000,000, a sum that would be thought extravagant in communities five times our size. As will be seen by a table (p. lxix.) in the Public Accounts, the cash expenditure by the Dominion on the Canadian Pacific has been \$62,600,000, besides the land; on canals, since 1867, \$42,000,000; on the Intercolonial and connected railways \$45,000,000; on subsidies to other roads \$13,000,000; on Dominion lands and the government of the North-West \$7,500,000; on minor public works \$7,000,000, and so on. The land grants voted away to railways amount in round numbers to 50,000,000 acres, an area as large as some Old World kingdoms. Nevertheless, as the census only too painfully shows, these magnificent preparations for the reception of population have not attracted population to any great extent. The percentage of increase in Ontario and Quebec between 1881 and 1891 was actually less than the percentage in an old and over-crowded country like England. In the seaboard provinces there was scarcely any increase at all. In Manitoba and the Territories the population is not half that of Dakota, which started even with them, all three being mere hunting grounds, in 1870. British Columbia, where colonization began in 1849, has 100,000 inhabitants. The State of Washington, then a vacant space, has now 350,000. Man for man, we have done infinitely more in the way of railroad and canal building by Government than the people of the United States, yet by comparison with their growth we have virtually nothing to show for our energy or extravagance, call it which you like.

It is true, as we are so often told, that transportation rates have been reduced. But has the reduction, say since 1880, been equal to the fall in farm products, and are rates here any lower than they are in the United States where the drain on the taxpayer has been relatively less? According to its published tariff the Canadian Pacific charges less for conveying wheat from Minneapolis to the seaboard than from Winnipeg, and less for conveying merchandise from the east to Minneapolis than to Winnipeg. Minneapolis is a little nearer the seaboard than Winnipeg, but would the Canadian people have voted \$100,000,000 in money or money's worth to the Canadian Pacific if they had supposed for a moment that it was going to treat the settler in Minnesota or Dakota better than the settler in Manitoba? It is pretty generally believed, though not, we confess, easy of proof, that both the Canadian Pacific and the Grand Trunk (which has got \$20,000,000 of public money), deal more liberally with freight going from one point in the United States to another point in the United States *via* Canada—such as from Chicago to Boston or Portland—than with the same description of freight shipped from intermediate points within Canada; in other words they sacrifice Canadian interests to their through American business. (a)

There is no doubt that merchandise rates to San Francisco from the Atlantic seaboard by the Canadian Pacific are lower than rates to points in the

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(a) Patron speakers are no doubt familiar with local instances. It is difficult to obtain information for publication about such discrimination. Canadian shippers complain loudly enough in private, but are afraid to allow their names to be used as vouching for what they relate. It has been thought best, therefore, not to attempt to give proof here, which however accurate would be sure to be challenged by the roads, but to leave Patrons to employ such cases as may have come under their own notice or that of their neighbors. That Canadian shippers should be afraid to tell the truth lest the monopolies for which the country has done so much should punish them is only one of many evidences of the enormous power wielded by the two great railroads of Canada.

Canadian North-West that are passed *en route* to San Francisco. Passenger rates in the older provinces are three cents a mile or more. But the Canadian roads, on their American lines, give a two-cent rate, the same as American railways. Even in a paltry matter like the supply of rolling stock when the crops have to be moved, our roads give their American customers the preference; the Canadian shipper has usually to wait till they are accommodated and prices begin to droop. It is notorious that notwithstanding all our expenditure upon them the Canadian roads use American ports in winter and discriminate against Halifax and St. John. The Canadian Pacific was powerful enough, indeed, to force Parliament to subsidize a road through the State of Maine to enable it to get to Boston. It no longer pretends to be an all-Canadian route, serving Canada first, last and always. With the purchase and construction of feeders in the United States it is becoming more and more an American institution, cutting through rates in the United States for the benefit of Americans and recouping itself by overcharging the Canadian shipper.

In the early days the canals were of greater economic importance than they are now, though in summer they still help to temper railroad rates in Ontario and Quebec, and to cheapen freights to and from the North-West. At their present depth the St. Lawrence canals are unable to accommodate the larger American vessels now plying on the Upper Lakes, and it is proposed by some that they should be deepened at the joint expense of Canada and the United States, the latter country being allowed a joint control in return. The matter is one of importance especially to the North-West, and deserves the best consideration of Parliament. Speaking generally, Canada, single-handed, has spent quite enough on transportation routes for the present. To put it mildly, the results have not come up to expectations, and in calling for a cessation of the outlay Patrons believe they are consulting the true interests of the taxpayer. Let us try for a while to fill the country with inhabitants by giving it economical government and a more liberal trade policy, and by compelling the existing railroads, on which we have spent borrowed money so lavishly, to give Canadian interests fair play.

#### BLOATED SERVICES.

The ordinary as distinguished from the capital expenditure, has, as stated, increased many times faster than population. There are certain fixed charges, such as the interest and sinking fund account, which now absorbs one-third of the revenue, the subsidies to provinces and the appropriations for Indians under treaty, which it would be difficult without a complete reconstruction to reduce. The subsidies to provinces, as set forth in the Auditor General's report, 1894, c. 26, amount to over \$4,000,000 per annum. The system of permitting the provinces to draw from the Federal treasury for their local requirements, and periodically to unload their debts upon the Federal taxpayer, does not conduce to provincial economy. The unloading process is unjust to Ontario. In Ontario the municipalities have given liberally to railroads. They also build and keep in repair out of the rates the highways and bridges, jails and court-houses. But in some of the other provinces this expenditure is defrayed almost entirely by the Provincial Government. The municipalities in the provinces referred to have given very little to railroads, such local bonuses as have been contributed having been supplied from the Provincial treasury, while the Dominion has been exceedingly generous. When, in consequence of such expenditures, these provinces

find themselves in deep water and get the Federal Government to assume their debts, it is obvious that they are compelling the people of Ontario to pay not merely for their own local improvements but in part for those of other people.

There are many branches of the ordinary expenditure, however, which could well stand cutting down, particularly in view of recent deficits. Look, for example, at the growth of the expenditure on civil government, i.e., salaries and departmental sundries at Ottawa (Public Accounts, 1894, p. liv.):—

1868 .....	\$ 600,000	1883 .....	\$ 987,000
1873 .....	750,000	1888 .....	1,258,000
1878 .....	820,000	1894 .....	1,400,000

The superannuation of civil servants should be considered in connection with the cost of civil government. By the Act of 1871 four per cent. per annum was deducted from salaries of \$600 and over,  $2\frac{1}{2}$  per cent. from salaries under \$600, and on this basis the fund, it is believed, was self-sustaining. But shortly afterwards the ratio of payments was altered, salaries of \$600 and over paying from 4 down to 2 per cent., salaries under \$600 from  $2\frac{1}{2}$  to  $1\frac{1}{4}$ , which had the effect of greatly reducing the receipts of the fund, and, conjointly with the practice of superannuating officials merely to make room for fresh appointees, has involved the country in heavy loss. From 1871 to 1894 the receipts have been in round numbers \$1,240,000, and the expenditure no less than \$3,770,000. In order to entitle officials whose places are wanted for clamorous party "workers" to a larger allowance than they have earned by length of service, the length of service is sometimes arbitrarily increased, which is a fraud upon the taxpayer. Again, as implied, it is a common thing to superannuate a man quite capable of discharging the duties of his office, in which case the country has virtually to pay two men for the work of one. For example, Mr. Lesslie, postmaster at Toronto, was superannuated in 1879 while perfectly hale and hearty and has since drawn \$40,000 from the treasury. His successor in the same period has been paid \$60,000 or thereabouts. The office is thus costing not \$4,000 a year as Parliament intended that it should but over \$6,000. In a number of instances the person superannuated has drawn many thousands for contributing a few hundred dollars, and has not done yet. Patrons contend that if the fund cannot be made self-sustaining it should be abolished. Civil servants are better paid considering the hours they have to work and the character of the work than any other class, and it is not right that the taxpayer should be drawn upon for provision for sickness and old age, which most of them have abundant means of providing if they choose to live as economically as the rest of us are obliged to do. As to pensions, those for military service are deserved, but there is no sense in pensioning county court judges and others who were handsomely paid during their tenure of office for all they had to do.

#### THE MILITIA.

The expenditure on the militia has averaged of late a million and a quarter per annum. But a large amount (it is hard to find out exactly how much) goes to maintain the permanent corps, which from being mere schools of instruction have blossomed into a miniature standing army. The *bona fide* volunteers, especially the rural battalions, are neglected and allowed to run down whilst money is lavished on the permanent force, probably be-

cause it yields more patronage of various kinds. General Herbert (Militia Report, 1891, pp. 9-10), made the following important recommendation :—

"In the year 1862 a royal commission enquired into the measures to be taken for the defence of Canada. The outcome of its report, presented in that year, and of certain political events occurring about that time, was the embodiment in the Militia Act of a form of organization based upon the requirements and resources of the North American Colonies as then existing. The immense progress which has raised the Dominion of Canada to its present position has entirely altered the social, political and strategical conditions which then existed and formed the basis of calculation. That the Militia Act has not fulfilled the expectations formed 25 years ago, is sufficiently evident to anyone who carefully examines the present condition of the force, and compares that condition with the objects, held in view by the Commission to which I have referred. This is due to many causes, not the least of which is indicated by the fact that many important sections of the Act have remained wholly in abeyance. They never could and never can be practically applied, and their existence is calculated to give a delusive character to the power of defence possessed by the Dominion. The time seems to have arrived when a fresh enquiry should be made into the working of the Militia Act, in order to ascertain how far it has provided an organization capable of adapting itself to ever-changing conditions and increasing responsibilities. Such an enquiry would furnish a fresh starting-point and firm ground for those who are called upon to guide the policy of the Dominion on the question of the defence of its territory."

In plain English the country has not a satisfactory force to show for its expenditure, and the matter should be looked into. But the General's recommendation has been ignored whilst Ministers have been developing the permanent corps. The Military College at Kingston should be abolished. It was shown in a speech delivered in Parliament (Mr. Mulock, June 29, 1894), that the cost of each graduate to the taxpayer, after deducting the graduate's payments, exceeds \$5,000. Of the 195 graduates since the college was founded only thirteen are attached to the permanent corps. The rest are in the British army, the civil service of Canada or in private positions here or in the United States. Why should we spend \$5,000 on a young man to educate him for the civil service, or to fit him for a career in Britain or the United States?

The Patron platform is sufficiently explicit on the subject of Mounted Police expenditure. It reaches upwards of \$600,000 a year, and could be reduced with safety. Since 1880 nearly \$4,000,000 has been spent on immigration, partly in attracting farm settlers with bonuses to the North-West. The results, as the census only too plainly shows, have been disappointing. The expenditure for outside printing (\$225,000, Auditor General's Report, 1894, p. lii.), appears to be scandalously large considering that there is a Government printing bureau at Ottawa. The payment of considerable sums for printing to newspapers which support the Ministry, but which cannot in the nature of things possess first-class printing offices, e.g., *Halifax Herald*, \$5,600, *Moncton Times* \$14,000, wears a suspicious look, especially when we find payments for advertising totalling \$45,000 last year being distributed chiefly amongst party organs. It is no excuse to say that the Provincial Governments "look after their friends" in the same manner. Subsidizing newspapers out of the treasury by whomsoever done is poisoning the wells of information, and is a practice which reputable papers must desire to see stopped.

The Franchise Act, which Sir John Thompson promised to reconstruct in the interest of economy, entails a gigantic cost at every revision. The three revisions down to 1891 cost \$900,000, and there has been one since. The cost to individuals cannot be ascertained, but must be very great. The system in vogue is altogether too burdensome. With regard to a cognate

subject, the so-called Gerrymandering, would it not be well for the Dominion and the Provinces to relegate the readjusting of the constituencies to a non-partisan commission, judges or others?

The expenditure for administration of justice is given in detail in the Auditor-General's Report for 1894, h-2 and subsequent pages. The total, including the cost of the Justice Department at Ottawa and of Penitentiaries, amounts to \$1,298,000, of which no less than \$664,000 is absorbed by the pay and travelling expenses of judges. There has been an extraordinary increase in the expenditure on this service of recent years. It may be true, as alleged, that the Superior Court Judges of Ontario are hard-worked, but that cannot be said of the sixty odd county judges of this province, most of whom have too little to do. Reform of the expenditure on justice at Ottawa should go hand in hand with reform of the expenditure on justice by the provinces. In a paper printed in the minutes of the County Council of the County of Ontario (June Session, 1893), Mr. G. H. Grierson gives an interesting account of the way in which the cost of administering the law has been augmented for the benefit of the office-holders, and how the number of office-holders and the range and amount of their fees, etc., have been increased through the supineness of the taxpayer. Something should be done, too, towards reducing the yearly payments to outside lawyers for Government work. The Ottawa Cabinet is full of lawyers, and lately a new law office, the Solicitor-Generalship, has been created. Nevertheless, in the five years 1890-4 the country had to pay \$540,000 to outside lawyers. The amount in 1894 was \$101,000. An Ottawa firm has been drawing \$19,000 a year for the past two years whilst the Solicitor-General has been running round on the stump with his \$5,000 a year in his pocket.

#### GOVERNMENT HOUSE, ETC.

To be effective, however, economy should begin at the fountain-head with a reduction of the number of Ministers. Our system of government differs from that of the United States in regard, amongst other things, to the responsibility of Ministers to the legislature. It might not be quite fair, therefore, to say that as eight Cabinet Officers at Washington, drawing \$8,000 a year each, manage to transact the business of that country there ought not to be more than eight at Ottawa. However that may be, no one has ever demonstrated the necessity for thirteen or fourteen *plus* two Controllers and a Solicitor-General, aided from time to time by outside lawyers and royal commissions (*a*). Prior to 1873 the Liberal party advocated a reduction of the number of Ministers, and spoke scornfully of the cohort of messengers, clerks, extra-clerks, deputies, etc., with which each was surrounded. But when it got into office it forgot its good intentions, and now

(*a*) A Western Ontario writer says :—“ So great is the demand on the part of followers in the House for the looked-for reward that the Cabinet must be extended from time to time to satisfy them. And who are chosen? There must be an Irishman or two who wear the green and show their hatred of the orange, but only on useful occasions; then there must be some of the other kind of Irishmen, who wear the lily and consign the Pope properly on lodge nights; then two or three kinds of Frenchmen are taken in because they are Frenchmen of different kinds; a brewer is added judiciously, and a temperance advocate follows. No one of all these is chosen as a true Canadian, or because of any peculiar ability to serve the state. A man may be made a Finance Minister who never knew the use of a ledger. The Minister of Agriculture is likely to have obtained his knowledge as to the raising of barley in the malt-house or from Blackstone.”

the Conservative party makes that an excuse for increasing the number and enlarging the retinue of subordinates. The Premier has a salary of \$8,000, plus \$1,000 sessional allowance; the others, \$7,000, and \$1,000; the Controllers and Solicitor-General, \$5,000, and \$1,000. In the Commons there are now two Speakers, the chief drawing \$4,000, his deputy, \$2,000, in addition to the sessional allowance of \$1,000 and mileage.

The Governor-General's salary, paid by the Canadian people, is \$50,000 a year. Since Confederation he has cost altogether an average of \$114,000. A return presented to Parliament gives the items down to 1892, in bulk, as follows:—

Salary.....	\$1,217,000	Repairs to Rideau Hall..	\$547,000
Travelling Expenses....	146,000	Furniture for Rideau Hall	109,000
Salaries of Secretaries..	270,000	Wages for Grounds.....	94,000
Expenses of Secretaries	217,000	Fuel and light, etc.....	151,000
Purchase of Rideau Hall	82,000		
Rent for Rideau Hall ..	8,000		
			\$2,841,000

It is right that the official head of the country should be well provided for, but this is paying too dear. There are eight other representatives of royalty in the persons of the eight lieutenant-governors, usually active politicians seeking rest and refreshment, whose salaries, paid from the Dominion treasury, aggregate \$70,000 a year. Eight little Rideau Halls are supported for their benefit at the expense of the provinces. The total annual charge for vice-royalty and sub-viceroyalty, including residences, A.D.C.'s, secretaries, &c., is not far from \$250,000. What Patrons propose is that henceforth the salaries alone should be paid and the nine imitation courts abolished. They are of no practical or theoretical value in a democratic age among a democratic people, but tend, if anything, to bring our institutions into contempt. The salaries themselves are too high. The Governor-General, with functions principally ornamental, gets as much as the President of the United States. Here are other anomalies:—The Lieutenant-Governor of Prince Edward Island gets \$7,000 a year. The Governor (there is no Lieutenant-Governor) of the neighboring State of Maine gets \$2,000. The Lieutenant-Governor of the North-West Territories gets \$7,000. The Governor of Minnesota gets \$5,000, and the Lieutenant-Governor \$1,000 for serving as head of the State Senate. The Lieutenant-Governor of Ontario gets \$10,000. The Governor of Michigan \$4,000, the Lieutenant-Governor \$3 per day during the sitting of the legislature. The Lieutenant-Governor of Quebec, population 1,500,000, gets \$10,000. The Governor of Illinois, population 3,800,000, gets \$6,000 and the Lieutenant-Governor \$1,000.

The conferring of Old World titles is a subject with which Patrons have no particular call to deal. The highest reward a Canadian politician can obtain, the only reward some of the best of them care to seek, is the approval of the Canadian people. It is to be hoped, however, in view of the exhibition of petty boodling on a recent occasion that we have seen the last of State funerals for public men (*a*). Nor is it desirable that Parliament should vote

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(a) The bill for the State funeral of Sir John Thompson amounted to \$25,600. About \$17,000 of the amount has been paid so far. The charge for decorating the church at Halifax, the whole of which was allowed by the official at Ottawa who examined the accounts, was no less than \$8,771.35—sufficient to build a substantial church. The undertaker and other tradesmen supplied themselves with a considerable stock in trade at the expense of the taxpayer. The affair seems to have been regarded on all hands as a grand chance for plunder. One Montreal firm sent in a bill for \$1,925 for flowers, including roses at 30 cents each.

money to the families of deceased Ministers except in cases of extreme necessity. The number of members of Parliament as well as of the legislatures might be reduced with advantage. In the House of Commons there is one member for every 22,500 people; in the House of Representatives at Washington one for every 174,000. The Senate at Ottawa contains practically as many members as the Senate at Washington. We can imitate American economy without danger to our British institutions, rather indeed to their greater security.

#### THE SENATE.

In its published platform the Liberal party advocates reform of the Senate. Patrons demand its abolition. It is a fifth wheel, and reform it as you may a fifth wheel it will remain. The constitution of 1841 established an upper house whose members were nominated for life, as senators now are, by the Crown, that is by the leader of the dominant party. The arrangement did not work well primarily because there was nothing for an upper house to do, though partly because, as happens in the Senate, its members being beyond reach of the people resisted popular measures, such as the abolition of the feudal tenure in Lower Canada. After a time the legislative council was made elective, that is, was composed of old life members and members elected by large electoral districts for a term of years. But this worked no better than the old plan, which was revived at Confederation only to be found absurd again. Liberals seem to think that the American method of having senators elected by the provincial legislatures would prove satisfactory. But that method succeeds in the United States because under their form of government the Senate has important functions to discharge, whereas no upper house, whatever the mode of constituting it, would have any special or useful function here. The House of Lords represented the landed aristocracy in an age when the aristocracy was the only curb upon the monarch, the only buffer between the people and absolutism. But it has nothing particular to do now, and accordingly its days are numbered. The notion that two chambers are indispensable to the proper working of representative institutions has been upset in this country by the example of Ontario, where a single chamber does the work as well and much more economically than two in Quebec. The abolition of the Legislative Council in Manitoba has in no way injured that province. The most plausible argument for the Senate is that worked out so laboriously by the late Senator Trudel (*Nos Chambres Hautes*, 1880), that it is the bulwark of the smaller provinces against Ontario. Ontario and Quebec are each represented by 24 members, Nova Scotia and New Brunswick by ten each, Manitoba and Prince Edward Island by four each, British Columbia by three, the Territories by two, and the theory is that by combining their votes the smaller provinces can successfully resist Ontario. But Ontario is not grasping or aggressive. Her rôle in Confederation is not that of the predominant partner but of the patient milch cow. Some of the Australian colonies have discovered like ourselves that upper houses are an expensive superfluity, rendering no service worth speaking of and often running counter to public opinion.

In 1893-4 the Senate cost \$133,000. The detailed items are given in the Auditor-General's report, i-2, etc. In the lump they are as follows:—

Speaker.....	\$ 4,000	Salaries and Contingencies. \$ 54,000
Indemnity and Mileage ...	75,000	
		\$133,000

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A feature of the Senate is the restaurant which the taxpayer has to maintain (a). Nomination by the party leader has led to a curious result. One party having been in office since Confederation with the exception of a spell of five years, the chamber is composed to the extent of 90 per cent. of members of that party. It can no longer pretend to be a court of review judging questions impartially. It initiates nothing but divorce legislation and frequently adjourns for days at a time till the Commons can find something for it to do. The newspapers seldom report its deliberations, which are of no public interest. Senator Trudel confessed that in his day no politician with a future cared to sit in the Senate and instanced the case of members resigning from it to run for the Commons. Matters have not improved in this respect. The Senate, in fact, is now virtually nothing but a gorgeous club for the ancients of the governing party.

#### GENERAL REMARKS ON EXPENDITURE.

It is impossible within the limits of a pamphlet to point out all the items of expenditure in which a saving might be effected or an abuse exists. The Patron stump speaker can readily discover many for himself; those just given will supply him, however, with cogent texts. The case can be made all the stronger by dwelling on the rapid growth of the expenditure in recent years as shown by comparing one year with another and contrasting it with the slow growth of population. Let it be said again, no reform is so urgently needed in Canada as a reduction of the cost of government in all three spheres, Federal, provincial and municipal. There is a swarm of departmental officials at Ottawa, and a still greater swarm of outside Federal officials, judges, customs and revenue officers, postmasters, fishery officers, Indian agents, canal employees, railroad employees and so on; there is another host of well-paid clerks in the eight local machines, and still another of county attorneys, jail and asylum officials, division court clerks and bailiffs, sheriffs, registrars, license inspectors, school teachers, coroners, &c., and below or behind these the tremendous host of municipal officials; our 700 legislators are increased to several thousand by the county, city, town, village and township councils, of which Ontario alone contains 800; while high over all, amid their archaic state and trappings, sit the Governor-General and lieutenant-governors with their considerable retinue, the whole constituting a hierarchy of tax-handlers such as no other five million people on earth have to support out of moderate resources. It is not "revolutionary" for Patrons to declare that this immense edifice of officialdom ought to be reduced to a footing somewhat in keeping with our means and requirements.

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(a) Here is a specimen restaurant bill taken from the Auditor-General's report for 1892:—Body for freezer \$1.42, boilers and bowls \$22.05, brooms and butter spades \$2.90, champagne glasses \$17.10, claret glasses, \$21.38, committee on the restaurant \$100, cups and saucers \$6.09, dishes \$1.50, engraving silver-ware \$9, feather dusters \$2, furnace scoop \$1, gridirons \$1.50, hamper and hatchet \$3.02, hock glasses \$14.25, ice (64,410 pounds) \$115.92, ice picks, &c., \$10.18, jars and jugs \$3.50, knife polish 60 cents, larding needles 90 cents, liqueur glasses \$11.70, mattress \$4, moulds \$2.98, oil 80 cents, padlock and pins \$1.50, pans and pie plates \$2, pillow \$1, polish 50 cent's, port glasses \$8.31, potato masher 50 cents, powder 33 cents, rat trap 75 cents, repairs to kitchen utensils \$23.40, refrigerator \$16.25, rollers \$2.85, salad bowl and scrubbers \$1.65, scrubbing flannel \$1.14, sherry glasses \$11.40, spirit measure \$2, steel \$2.45, silver soap 40 cents, steel skewers and strainer 96 cents, table oil cloth \$1.52, table forks \$24.22, teapot \$4.34, tin dishes and tin pot \$5.35, toasters \$2.85, tiles \$3.37, tumblers \$8.07, vegetable boilers \$5.70, vinegar bottle 50 cents, wire basket 60 cents, wood spoons 38 cents, wool mops \$3.60, washing \$89.67. See report for any year.

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Patron speakers might do well also to enlarge upon the fact that our public debts have grown to portentous proportions in a period when, as the census shows, little real progress has been made. To the Federal debt of \$250,000,000 and Provincial debts amounting to \$20,000,000 more, heaped up notwithstanding the great increase in taxes since 1879, must be added the municipal debts, which in Ontario reach nearly \$50,000,000. A return just issued by the Bureau of Industries at Toronto (Part 6, Municipal Statistics, August, 1895), shows that between 1886 and 1893 the population in the organized municipalities increased from 1,828,000 to 1,910,000, or less than five per cent., while in the same period the amount of taxes rose from \$9,000,000 to \$12,500,000, an increase of nearly 40 per cent., and the debenture debt from \$29,900,000 to \$48,000,000, an increase of 60 per cent. And while we have thus been piling up burdens with so little to show for it, our American neighbors have reduced their public obligations till, keeping in view their rate of development, they owe but a bagatelle by comparison. Here, we may be sure, is one of the causes of the exodus which every Canadian deplores. With a population of five millions, Canada, according to the American census, has sent nearly a million native Canadians to the United States. How many persons of European birth have gone there is no means of knowing. Per contra, according to our census figures, the United States, with a population of 63,000,000, had sent only 80,000 native Americans to Canada. These are considerations than which surely none more weighty ever pleaded for reform in the government of a country, not by exchanging one set of politicians for another set who will leave things substantially unaltered, but by electing new men favorable to bold measures. It adds a pang to reflect that no inconsiderable proportion of our indebtedness has gone in peculation and boodling. An English writer, while giving the party system credit for what good there is in it, does not believe it to be the "final or permanent type of government in civilized nations," because it is attended with dangerous evils which he proceeds to describe as they have presented themselves in England. Here in Canada it has engendered to a greater extent than in England, or even the United States, an insensate partisanship which in its extreme form glories in "voting once for the party leader when he is right and twice when he is wrong." This sinister spirit is chiefly responsible for the misgovernment and downright rascality, manifested on both sides of politics, that have at length overwhelmed us with burdens, disgraced us in the eyes of other people, and left us with an uncertain future.

## THE TARIFF QUESTION.

The farmer is deeply interested in the tariff. He was induced to vote for protection in 1878 by promises which it may be well to examine briefly in the light of ascertained results.

First, it was to augment the selling price of his wares. Mr. Haggart, now Minister of Railways, said in Parliament (Hansard, March, 1, 1878) :—“What they contended was that by a protective tariff they could so arrange matters that the produce raised by our agriculturists would be greatly increased in value.” This was the burden of all the protectionist speeches and of resolutions introduced in the House. Prices were to be increased by keeping out cheap American produce and by creating an all-consuming home market within Canada. Cheap American produce, so Mr. Haggart contended in the same speech, was the bane of Canadian agriculture and he gave examples which others on the same side multiplied. In saying this the protectionists, as any one can see, were blasting their own argument, for if a long trial of protection in the United States had left the American farmer without an all-consuming home market so that instead of obtaining high prices at his own door he was obliged to export his oats, pork, wheat and corn for what he could get to revenue tariff countries like Canada, what sense was there in the Canadian farmer trying so worthless a remedy? We all know that the price of farm products has not increased since 1879. Canada like the United States is an exporting country and the price of the staples is determined by the law of supply and demand abroad, which is as much beyond the jurisdiction of protectionist legislators as the phases of the moon. The reports of Mr. Giffen, statistician of the Government Board of Trade in England, notably that issued in 1888 (“Recent Changes in the Prices of Exports and Imports,”) are interesting reading in this connection. Going back to the Crimean war, a halcyon period for the Canadian farmer, the average price of the wheat imported into the United Kingdom in 1854 and 1855 was 16½ shillings per 112 pounds, of oats nearly 10 shillings, wheat flour 23 shillings, hams 63 shillings, and so on. The price of wheat and flour has never been so high since. In the three years preceding the adoption of protection in Canada the price of wheat was as follows, per 112 pounds —

	SHILLINGS.
1876 .....	10.43
1877 .....	12.49
1878 .....	10.99

In 1880 the price rose and Canadian protectionists made themselves believe that it was their work, but in 1882 it fell to 10.67 shillings and has since gone lower. In the calendar year 1894 the declared value of the British imports of wheat (total imports 70,126,232 cwts. value £18,760,505) was under 5.4 shillings per cwt. (a) The all-absorbing home market has also

(a) There are no official price statistics in the Canadian blue books but the following from the New York *Tribune* almanac for 1895 will answer as well. The *Tribune* being an out-and-out protectionist :—In 1877, the average price of No. 2 red winter wheat at New York was \$1.43, in 1893, 73 cents. Oats No. 2 mixed, 42 cents in 1877, 36 cents in 1893. Extra mess beef \$13.13 per barrel in 1877, in 1893, \$8.17. Bacon and hams

disappointed us. In 1878 we exported \$32,000,000 of animals and farm produce raised within Canada, whereas in 1894 the exports were \$52,000,000. So far from protection creating a secure home market for the farmer he is more dependent than ever upon the foreign market where competition is unrestrained. The answer of protectionists is that if cash prices are lower than they were the cost of factory goods has declined so that the farmer is better or no worse off than before, and they even suggest, some of them, that protection has brought about the decrease in the cost of factory goods. But this is quite another question from that under consideration just now, which is Mr. Haggart's promise that "the produce raised by our agriculturists would be greatly increased in value." The meaning intended to be conveyed by "greatly increased in value" was that the cash price would be exalted, as plainly appears from the speeches made in Parliament and from the famous cry, "I'm for a policy that has raised wheat to \$1.49." The red herring about the fall in the cost of the goods the farmer has to buy with the suggestion that the N.P. has caused it will be considered in its proper place.

It is not necessary to dwell on the change for the worse in the state of agriculture due to the shrinkage in prices. All over the world it is in a bad way and will no doubt remain in a bad way till it has adjusted itself to the new conditions of production and transportation. In Ontario, according to the census reports, there was a decrease in the wheat area between 1880 and 1890 of 500,000 acres—from 1,930,000 to 1,430,000—in Quebec, Nova Scotia and New Brunswick of over 80,000. The selling value of farm land has depreciated 25 per cent. in the choicest districts. The chattel mortgage returns, the loan company returns, the decay in rural districts evidenced by actual loss of population, and the consequent paralysis of many of the smaller towns and villages, are facts too notorious to be argued out of existence. The Ontario return (Part 6 Municipal Statistics) already quoted from brings the population figures down to a later date than the Dominion census. For the organized rural townships they are as follows:—

POPULATION.	POPULATION.
1891 . . . . . 1,116,000	1893 . . . . . 1,096,000
1892 . . . . . 1,102,000	

The total assessed values in the townships were \$452,097,000 in 1886; \$451,629,000 in 1893. It may be, as some allege, that the farmers of Ontario, one of the most fertile regions on the continent, are better off than the farmers of New England, one of the least fertile. But that, after all, is cold comfort. Here, as in the older States, agriculture is in the agony of a new birth, and it is at this time of all others that protection, with its combines and monopolies enhancing the cost of production, has been saddled upon the farmer.

#### RECIPROCITY WITH THE UNITED STATES.

Next to increasing his values by a home market, the chief boon promised to the farmer by the N.P. was Reciprocity, to be obtained by taxing American factory goods till the factory owners in despair forced Congress to revive and extend the treaty of 1854-66. Reciprocity has always been prized in

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per pound 12.8 cents in 1877, in 1893 9.1 cents. Salted pork in 1877, 13.1 cents, in 1893, 7.8 cents. Butter in 1877, 24.1 cents, in 1893, 19 cents. Eggs per dozen 35.8 cents in 1877, in 1893, 23.2 cents. Cheese in 1877, 15.1 cents per pound, in 1893, 9.4 cents. The American farmer is now as sceptical as the Canadian of the wonder-working powers of protection.

Canada. Every country likes to trade freely with its neighboring market especially when the neighbor is rich and of the same race. When the old treaty was in danger the Canadian Privy Council (Feb. 19, 1864, Sessional Papers, 1865), declared in a memorandum to the Imperial Government, whose good offices it required at Washington, that "it would be impossible to express in figures with any approach to accuracy the extent to which the facilities of commercial intercourse created by the reciprocity treaty have contributed to the wealth and prosperity of this province, and it would be difficult to exaggerate the importance which the people of Canada attach to the continued enjoyment of these facilities." In the House of Commons, March 21, 1870, when the taxation of American products on a small scale was contemplated, Sir Alexander Galt said:—

"Take the interests of the several provinces. Take, for instance, the interests of the Province of Ontario. Can any one desire anything else than that their white wheat, their barley, sawn lumber, cattle, and a vast variety of other things should go free into the United States, their best and most convenient market? Can any one say that it would be less advantageous to Ontario that such should be the state of things rather than what obtains now? Certainly it must be that free access to the American market would be better, and, *pro tanto*, what would be better for Ontario would unquestionably be so for the other provinces. The Province of Quebec has felt these restrictions upon trade more than any other province. The productions of Quebec are not of a character that will bear export to Europe, and the interests of that province are unquestionably in the direction of a restoration of free trade with the United States as early as possible. I therefore ask the members from Quebec to consider very deliberately whether they are pursuing a wise policy in sustaining the Government in anything that will have a tendency to excite the animosity of the people on the other side of the line, and thereby postpone the restoration of free trade relations, which the interests of this province most strongly demand. New Brunswick and Nova Scotia have the same interest in the question. There is the very important question of the employment of the shipping, the sale of fish, and the production in the case of Nova Scotia of coarse grains to a very considerable amount that have found their way to the United States in former days, and of coal and sawn lumber. Well, sir, under the circumstances I think there can be no doubt as to the desirability of having free trade with the United States, and I contend that with these considerations before us we should not take any course that will tend to postpone free trade beyond the earliest possible day; and I tell hon. gentlemen that any change in the policy of this country in regard to duties upon American produce, anything in the way of retaliation, is a most unwise and unstatesmanlike policy to adopt." (Parl. Debates, *Ottawa Times Reports*, 1870, Vol. I, p. 571.)

Galt had been Finance Minister for years, and was one of the ablest of public men. It was said in 1878, however, that as the Americans would not admit our products it was the part of a high spirited people to tax theirs. The cry is repeated still. Because his barley, beans, calves, etc., are struck with a duty at the frontier, much to his loss and that of the people of the United States, the farmer has been induced to strike at American manufacturers so that the cost of his implements, coal oil, barb wire, cottons and other necessities and conveniences of life is enhanced, and what was bad made worse. The protected manufacturers laud this egregious piece of folly as "patriotism," "true Canadianism," and so on till their dupe in some cases imagines he has done a fine thing for himself and the country. The "fair traders" or protectionist survivals in England propose a similar plan. "Tax the goods of the foreigner," they cry, "retaliate, make him squeal, force him to open his markets to us." What they are looking for is what the manufacturers of Canada looked for and got, power by law to raise prices upon the home consumer. But Englishmen are not to be gulled. "Suppose foreign countries," said Mr. Chamberlain, "are not persuaded by the hon gentleman or by his retaliatory policy to take off their duties? How long is the

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experiment to last?" Retaliation in England would have to take the form of duties on food and raw material, and this, Mr. Chamberlain added, "would do us more harm than the foreigner." (a)

Reciprocity has not been achieved by coercion. All we have got is an increased American tariff on some of our stuff. The protectionists probably never meant to accept a liberal reciprocity, even if offered. They are willing that the treaty of 1854 should be resuscitated and free interchange of natural products established, but will not hear of manufactures being included.

#### OTHER UNFULFILLED PROMISES.

We set out also to promote foreign trade by steamship subsidies. England gives subsidies to mail steamers which were pointed to by our protectionists as proof that she believes in artificially encouraging commerce. But the money is fairly earned, is part and parcel of the regular post office expenditure, and wherever practicable tenders for doing the work are called for. Supposing the money were paid as a subsidy to the vessel instead of being as it is remuneration for carrying the mail, there would be nothing very illogical about it. England as a free-trader seeks trade everywhere, selling wherever she can, and in return admitting products free from every corner of the earth. We in Canada, however, subsidise steamships in order to cheapen rates for the Canadian exporter and then deliberately increase the rates by placing tariff obstacles in the way of return cargoes. So too Canadians and Americans build bridges across the St. Lawrence and Niagara rivers to promote closer commercial intercourse and then blockade them by putting a customs officer at each end. In 1894 (Auditor-General s.-4), a subsidy of \$121,700 was paid to a steamship line running between Australia and Vancouver. The exports to Australia amounted to only \$320,000, so that the cost to the taxpayer of selling the goods was nearly 40 per cent. Of the \$320,000, only \$770 represented Canadian farm products. The items were:

Canned fruits . . . . .	\$113
Canned vegetables . . . . .	11
Animal produce . . . . .	646
	<hr/>
	\$770

There is not much, therefore, for the Canadian farmer in the export trade to Australia to which such a large bonus is paid. The imports from Australia in 1894 were \$143,000, and if the bonused steamships are maintained are likely to grow. Official returns, later than the regular trade returns, show that butter, tallow, canned meats, frozen mutton, fruits, etc., are being landed at Vancouver and Victoria. The frozen mutton landed at Victoria (Return from July 1, 1894, to Feb. 1, 1895), was worth  $3\frac{1}{2}$  cents a pound laid down there, the butter  $17\frac{1}{2}$  cents. The total imports of farm products at these two places during the seven months amounted to \$10,000. Is a protectionist Government justified by protectionist principles in bonusing ships to bring foreign competition upon the home farmer in the home market? Of the exports to Australia, manufactures constituted nearly one-third and the principal item was implements, \$79,000. Patrons have it on good authority that the Canadian Pacific has carried implements from the place of manufacture in Ontario across the continent to Vancouver and thence by the

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(a) Speech on French Treaty, House of Commons, Aug. 12, 1881.

bonused ships to Sidney, 8,000 miles further on in a direct line, for less than it charges to carry them from Ontario to points in Manitoba like Winnipeg and Brandon.

The bonuses paid to steamships engaged in the West India trade amounted in 1894 to \$96,000. The ships run from Halifax to St. John, ports which we are trying to build up in this way. The traffic carried by the Canadian Pacific from the North-western States to the Atlantic seaboard is vastly greater than our modest trade with the British and Spanish West Indies ; but, as said before, these ports are discriminated against in the published tariffs of the Canadian Pacific, and the North-western traffic goes to Boston and New York. It is no wonder that in the last census decade the population of Halifax increased only seven per cent while that of St. John actually fell off five. From 1873 to 1877 our gross trade (exports and imports) with the West Indies averaged a good deal more than it has averaged since. It has declined chiefly because these islands are doing more business with the United States, the natural market for their fruits and sugar.

In 1894 the Allan Line received a mail subsidy of \$126,500 for the service between Canada and the United Kingdom. Another firm received \$25,000 for a service between Halifax and London. The Government proposes to give a bonus of \$750,000 a year to a fast Atlantic line. Nevertheless if the project goes through it will continue to tax British goods to the extent of eight millions a year, and the vessels, deprived of full return cargoes, will be obliged to charge high rates for the outward bound ones. When complaint is made of the exorbitant rates (higher than American) charged for cattle going from Montreal, and Montreal is now the only port we have for shipping cattle, the steamship men retort that the fault is our own, that if we would only allow the vessels to return from Liverpool full of cheap factory goods instead of half full of goods made dear by our tariff, the rates for cattle, cheese, and everything else shipped to Liverpool would be more reasonable ; and there is no gainsaying it.

This is, perhaps, as good a place as any in which to call attention to the loss inflicted on the live cattle trade by British scheduling. The Dominion Government has recently admitted (Experimental Farm reports, 1894, pp. 60, 306) the existence of tuberculosis among some of its own herds. The British authorities are justified, considering the enormous losses which their farmers have sustained in times past from imported disease and the heavy bills incurred by the exchequer in compensating the owners of slaughtered herds, in taking rigorous measures to safeguard British cattle. Where the Dominion Government erred to the point of culpable negligence was in winking at the violation by Canadian railways engaged in carrying American cattle through Canada of the conditions of transport and examination prescribed by the British Government, and also in permitting large numbers of animals to be driven without examination from the North-Western States into the Canadian North-West. At the instance of the Patron Executive the subject was ventilated in Parliament, and the grave facts set forth have not been shaken by those who have essayed to defend the Department of Agriculture (Mr. Mulock's speech, July 4, 1894). On April 30, 1887, when the British authorities had become aware of the lax manner of carrying out the regulations, Mr. Lowe, Deputy Minister of Agriculture, wrote the following letter to the General Manager of the Grand Trunk :—

" MY DEAR SIR,—I think it well to tell you as a piece of information which I think you should know, we have received two despatches from the Imperial Govern-

ment pointing out to us the fact of the existence of pleuro-pneumonia in the Western States, and calling our attention to the imprudence of allowing transit of American cattle through Canada. We cannot, of course, be blind to the meaning of those notifications, but they have not gone so far as to say that they will place us on the schedule list if we do not discontinue our present arrangements. I may say to you further that we are quite aware of the kind of risks incurred in relation to the danger of introducing the disease I have named among the herds of Canada, which, if it should happen, would mean a disaster implying the loss of many millions and also the schedule list for a sequel, which also means a difference of 1d. sterling or 2 c.s. a lb. live weight on all the cattle we ship. We are still of opinion, after the most careful consideration, that the regulations as respects such transit now in force are sufficient protection, the only weakness being a possible negligence of some railway official in not observing his rules, and thus opening the door to the admission of the most insidious of all diseases. I have told Mr. Pope and Mr. Carling, Ministers who take a special interest in this question, that we have the most absolute assurances from you of the rigorous observance of the regulations by officers and employees of your company; and I feel sure that a communication of the facts in this letter to you will be of a nature to move you to increase, if possible, the rigor of the surveillance.

Unfortunately the violation of the regulations on the part of the railroads was allowed to go on and scheduling resulted. Mr. Lowe reckons that it diminishes the value of each live beast shipped to England two cents per pound. That looks like a large estimate. The loss is more probably a cent or a cent and a half per pound.

#### MORE UNREDEEMED PROMISES.

The N. P. was also to turn the so-called balance of trade in our favor, i.e., our exports were to exceed our imports. In the protectionist dialect we were to sell more than we were to buy, and be so much richer. But Canada is a borrowing country. We are continually borrowing on Federal, provincial, municipal or private account. The loans come out mainly in the form of manufactures, the interest is remitted mainly in the form of natural products. There is always a heavy balance against us, and of course the N. P. has failed to remove it.

It was to build up imports from Britain by transferring our purchases to some extent from the United States. The trade returns show that in 1875 (to take a period of twenty years), our imports from Britain were \$60,000,000, in 1894 only \$39,000,000. In 1875 our imports from the United States were \$50,000,000, in 1894, \$53,000,000. Imports from the States consist in larger part than imports from Britain of raw material, and are consequently less heavily taxed. Thus the \$53,000,000 of American wares imported in 1894 paid a duty of \$6,900,000, while the \$39,000,000 of British were taxed \$8,245,000, a curious commentary on the promise that the latter were to be "built up." According to the British returns the gross trade (imports and exports) between Canada and Newfoundland, lumped in the official abstract as British North America, and Britain was £19,900,000 in 1875, and £20,300,000 in 1894, a beggarly increase of two per cent.; whereas in the same space of time British trade with the United States has risen from £95,000,000 to £120,000,000, an increase on a far larger total to begin with of 30 per cent. There is a political side to this matter. Given a serious controversy between Canada and the United States, how is the British democracy likely to be affected by such figures? It is true that, man for man, we do a larger trade with Britain than the Americans do but as a high authority says (*a*) the real question for Englishmen is "not the amount of trade per

(a) Lord Farrer, formerly Permanent Secretary Government Board of Trade, "Re-taliation and Commercial Federation," p. 19.

man but the aggregate amount of trade, including not only the actual amount of trade at the present moment, but the recent progress of trade as indicating its probable future."

In 1865 the Confederation Council which met at Quebec urged the necessity for establishing closer trade relations with Cuba, Brazil and Mexico. We have sent roving commissions to those places, to the Argentine, the British West Indies and elsewhere, but not with much success. A treaty with France has lately been secured which may affect Canadian wine-growers but is not likely to have any other important result. Our entire foreign trade in 1875 was \$197,000,000, in 1894, \$230,000,000. It is true values have fallen. On the other hand, we have in these twenty years piled up debt to the amount of \$130,000,000 exclusive of provincial and municipal obligations, in opening new territory and building railways, besides spending the huge increase in the yearly taxation. In the same space the foreign trade of our American neighbors has increased from \$1,000,000,000 to \$1,600,000,000, while the national debt has been reduced by a thousand millions.

The N.P. was to stop or diminish the exodus, and, generally speaking, make Canada more prosperous than she had ever been before. It was argued that protection had developed the United States *ergo* it would develop Canada. When it suits their book, for example in order to dissuade the farmer from seeking freer trade with the United States, our protectionists turn round and declare that the United States is so badly off as not to be worth trading with. But there is a considerable difference between Canada and the States viewing them as subjects on which to experiment with protection—a difference in climate, products, physical configuration, the grouping of population, and otherwise. (b) Putting that aside, the question is, has the N. P. made Canada highly prosperous as promised? The Government statistician endeavors to show that it has by parading the count of "industrial establishments," in which he includes dressmaker's shops, blacksmith's shops, photograph galleries, lime kilns and what not, whilst other protectionists point to the increase in bank deposits, as if the fact that a great deal of money was lying idle was an infallible evidence of prosperity. We prefer to leave the matter to the reader's unprejudiced judgment. There is one thing which all the special pleading in the world cannot get over. If, as protectionists say, we have been prospering as never before, or at any rate as much as any other people during the same period, how is it that we are unable to show even a natural growth of population, considering that there is unlimited room for its expansion and that over and above natural multiplication we

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(b) The late Lord Grey, at one time Colonial Secretary, said in a recent work ("Commercial Policy of the British Colonies," 1892, p. 57) :—"It must be remembered that the American Republic enjoys several special advantages which have prevented it from suffering so much as it might otherwise have done from the policy it has pursued. The American Union possesses a vast territory, including a great variety of climates, and consequently is able to raise a great variety of different kinds of produce, some of them (such as cotton or tobacco), of very great value, and which it has peculiar facilities for cultivating. There is absolute freedom of commerce between the States, so that internal trade in exchanging their produce with each other is carried on without obstruction, and almost supplies the place of foreign trade." He goes on to enumerate other special conditions prevailing in the United States, and says :—"I cannot, therefore, admit that the apparently contrary experience of the United States disproves the truth of the conclusion I have endeavored to establish, that the unsatisfactory progress in prosperity made by Canada in the last ten years is mainly owing to the unwise policy its Government has adopted with regard to trade and finance." (p. 60).

have spent some millions in procuring settlers from Europe? (a) The natural growth of a young community like this must be at least 18 per cent. The percentage of increase in the last census decade was only 11.76. In Australia and New Zealand it was 39. In the United States, where the total on which the percentage has to be reckoned is so large, it was over 24. In the Argentine it was 40. We are simply "not in it" with the young countries. Indeed we are not in it with some of the old ones. In England and Wales the percentage of increase exceeded 12. There must be something wrong in a policy that has produced such results. We could not have done much worse with a famine, plague or foreign invasion on our hands.

#### WHY THE N.P. HAS FAILED.

The failure of the N.P. is seen to be all the more complete when we consider the promises made shortly after its adoption, notably those about the North-West. That region was to have had a million inhabitants by 1891 (actual population 250,000) and the sales of land along with their contributions to the revenue were to reduce the Dominion debt to \$100,000,000. (Sir Leonard Tilley's budget speech, 1882). The iron duties were to stud the land with coke and charcoal furnaces, and ultimately, when rolling mills and cutlery shops were established, to furnish employment to eighty thousand workers, including their families. (Sir Charles Tupper's budget speech, 1887).

It is not necessary to suppose that the men who drew these vivid pictures were deliberately deceiving. It is apparent that they were themselves deceived. They had not studied political economy. If they were anything they were free traders or revenue tariff men prior to 1876, though most of them would probably have been hard set to say what they were and give intelligible grounds for it. It happened, however, that they were out of office when this country and every other fell upon a time of depression, and they seized hold of protection as a drowning man clutches the first hencoop that floats his way. It was a plausible cry, it was the policy of the United States which had prospered, not because, but in spite of it, it appealed to the desire for a change of some sort that always manifests itself during hard times, and last but not least it was supported by the manufacturers without distinction of party who drew on their prospective profits and supplied campaign funds without stint. The farmer was plied with the promises which we have just examined by the light of results. He was frightened

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(a) According to the Government returns, over 800,000 persons came from Europe and took up homes in Canada between 1881 and 1891. But, including these, there were only 500,000 more people in the country in 1891; that is, we must have lost in those ten years a multitude equal to the entire natural increase plus 300,000 of the new comers. Protectionists dodge these painful figures and try to show that a few places have grown rapidly, which does not alter the fact that the growth of population in the country at large has been disappointing. Toronto is one of the places selected. It has grown chiefly by depleting the towns and villages suffering from the depression among the farmers. The rush to Toronto, where the N.P. was to make everybody rich, led to a real estate boom and the boom to a crash that has depreciated property values and ruined many. In August, 1895, the City Treasurer of Toronto advertised 1,248 lots in the city to be sold for taxes. Both Toronto and Montreal, another N.P. centre, were artificially inflated at first, and, imagining that the boom was going to last, rushed into expenditures which have added enormously to their debt and taxes. It is only fair to direct attention to a matter to which the Government statistician seems to attach importance. In former censuses there was no time limit; persons absent from the country for a considerable period might be, and in some instances, no doubt, were counted. But in 1891 persons who had been away for twelve months or more were not counted, "the presumption being that they had abandoned Canada and settled elsewhere." (Introduction, Census 1890-1.)

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ed, too, by a rather clumsy bugaboo. It was said—"Cheap American goods are flooding the country. Without doubt their cheapness suits you. But when they have killed Canadian manufacturers, the Yankees will put up their prices and grind your face with a terrible monopoly." This story is repeated now. In order to close Canadian factories by slaughtering prices the Americans must necessarily incur a gigantic loss, unless, indeed, N.P. prices are sky-high, and they are to incur this loss for the purpose of getting control of a market which they could not control at all seeing that there would be nothing to hinder us from buying cheap British goods, or, if the worst came to the worst, buying cheap American goods from the other customers of the United States. The Americans are supposed to be a shrewd people but this is writing them down greenhorns.

If the farmer will constantly keep in mind that all trade, whether between individuals or between nations, is nothing but the bartering of one product for another, he will be able to see through most of the protectionist fallacies. He goes to town to buy a binder. He pays \$140 for it. Where did he get the money? He got it for wheat, cattle or some other article which he raised on his land, that is, for something in which he had, so to speak, stored a portion of his labor and capital, for a product of the two. In like manner, the implement is the product of other men's labor and capital. The transaction is thus nothing more than the swapping of labor for labor, product for product. The farmer parts with something he can produce to the best advantage in exchange for something else which he could not produce so advantageously. It is clear that if, like Robinson Crusoe, he set about manufacturing everything he required, the construction of a binder would entail a greater outlay of his labor and capital than the raising of the wheat. While money passed, it was not essential to the trade. If there were no money at all, the implement man would accept the wheat and cattle at first-hand and exchange them for something he wanted more. Business would resolve itself into barter, pure and simple, such as our ancestors carried on when there was no money. Money facilitates the exchange of product for product, but is not, as said, an essential factor, and may be left out of the analysis. It follows, then, all trade being really barter, that it takes two parties to effect an exchange, that both are benefited otherwise they would not resort to it, that A cannot "flood" B with his products without taking just so much more of B's, that buying an implement or any other article involves selling on the part of the purchaser, and, conversely to sell involves buying, the one being the complement of the other. International trade is conducted in precisely the same way. The more the foreigner sells to us, the more he must take from us, product for product, labor for labor, and the greater the advantage to both.

Sir Mackenzie Bowell, who says he learned political economy from Horace Greeley's book, imagines that the true mode is to sell our surplus wares abroad for gold and manufacture everything we need here at home, so that the foreigner shall not have a chance to "flood" us with his. He elaborated this theory in the House of Commons in 1882 as if Horace Greeley or himself had just invented it, whereas it is as old as most other superstitions and has been condemned by the common sense of mankind. Take our own case. In 1894 we sold \$117,500,000 worth of commodities in foreign countries. Did we bring back that much gold? The gold and silver we brought back amounted to only \$4,000,000, so that according to his own showing Mr. Bowell managed things badly. What, then, did we receive for

our exports? We received foreign goods in exchange. Roughly speaking, our imports of \$124,000,000 represented the proceeds *plus* our new borrowings. Like ourselves, the foreigner does not raise gold as a crop. He can get it only in exchange for his products, which is the only way we can get it. A shipment of Canadian cheese to London establishes a credit account which enables us to import such and such a quantity of British manufactures or the manufactures of other countries indebted to Britain; contrariwise, a shipment of British goods to Canada establishes a credit account against which Britain sets imports of farm products, lumber, etc., from here; and so the bartering process goes on without gold being employed at all except perhaps to clear off a small balance now and then. Four hundred years ago Mr. Bowell's plan was embodied in what was known as the Mercantile System. Men imagined, just as he does now, that gold and silver were real wealth, and arranged their national tariffs as ours is arranged to-day for the purpose of taking as little as they could in the shape of products from the foreigner, so as to compel him to pay in gold for their exports. They made the mistake of supposing that a nation can buy without selling, and did not perceive that gold and silver are not wealth in themselves but mere instruments for transferring it from hand to hand. Hence arose the "balance of trade" theory, that it was profitable to export much and import little (a) as well as the policy of diminishing imports by putting heavy duties on them known as protection. In course of time most men saw they had been in error about gold and silver being wealth, but protective duties were maintained because they enabled the home manufacturer to extort high prices from the consumer on the plea of developing home industry.

If we keep these elementary truths before us it is easy to see why the N.P. has failed to bring prosperity. It has turned us into a nation of Crusoes. We began to manufacture all kinds of goods which we could have got at a less expenditure of labor and capital in exchange for the products that we can raise to better advantage than the foreigner. A vast amount of capital (and there is nothing a new country needs so much as capital), has been lost by those who started factories under the wing of the N.P. Some did not understand the business they embarked in but trusted to the duties to pull them through. All soon discovered that the Canadian market was too small for the plant at work, and as they could not sell their dear goods abroad in competition with foreign goods except at a sacrifice, many had to succumb. The European emigrant noted the increase in the cost of living and either kept away or moved out after being here a while. We all know how politics have been bedeviled. The "infant industries" have bought and paid for their license to fleece the Canadian people with campaign subscriptions employed to corrupt them into submitting. The bonusing of public works, carried to such excess with so little to show for it, has been the natural corollary of protection, precisely as scandals affecting Parliament have been the inevitable outgrowth of the bonusing. But by odds the worst evil is the load imposed upon agriculture at a time when in consequence of the world-wide depression it has been least able to bear burdens. The other natural industries

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(a.) The unsoundness of the balance-of-trade theory may be illustrated thus:—A Canadian exporter ships ten thousand dollars worth of products to Jamaica and exchanges them for \$12,500 worth of sugar and fruits, which he brings back. The transaction has been remunerative, but on the balance-of-trade theory Canada is a loser. But if the vessel containing the sugar and fruit is lost at sea then Canada is a gainer, for we have exported more than we have imported.

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have suffered, but agriculture has been cruelly bled. Why wonder at the deplorable failure in the North-West when the pioneer, dependent on a single pair of rails to carry his stuff to the seaboard 2,000 miles off, and excluded from the natural market and the nearest market for much that he raises, is on top of these grave disabilities compelled to pay fancy prices for everything he has to buy in order to support distant industries not half so important to the body politic as his own that regard him as a sort of statutory vassal? And what is he but a vassal? Human slavery deprives a man of the right to sell his labor freely, and protection of the right to exchange the products of it freely. The difference between the two thraldoms is only one of degree. A low tariff would give the farmer cheaper goods, *i.e.*, would reduce cost of production, *i.e.*, would increase the net return. The high tariff has, of course, diminished the net return from every acre of land in the Dominion and from every car-load of cattle, grain and cheese sold at home or abroad. If a horde of bandits had roamed through the land levying tribute of every farmer's wagon going to market, we should have thought it hard, yet the N. P. has done that in reality. It has done more. To recur to our brief account of the nature of trade, the Englishman, when he finds that he cannot readily exchange product for product with a foreign customer owing to obstacles interposed by such politicians as ours, goes elsewhere if he can do so without incurring greater loss and annoyance, and starts a commerce with some one of more sense. If there were two stores near a farmer, and the road to one was rendered impassable by the stupidity of the storekeeper, he would resort to the other provided the prices of both were about equal. So with England. Other things being equal, she prefers to buy, *i.e.*, exchange her manufactures for food and raw material, from countries where the largest measure of free trading exists. And of late years, with that object in view, she has been pouring capital into India and the Argentine Republic, whose tariffs are comparatively low, to develop their food-growing capabilities and pave the way for a larger commerce with them. Nevertheless we hear N. P. advocates wondering why the price of food products is so low, and why England does not invest more of her surplus funds in Canada. We put sentiment out of sight when we struck her products with exorbitant imposts to our own heavy loss. Why should she be guided by it in seeking new fields for investment? What right have we to complain if in her efforts to secure more rational customers she labors for the development of agricultural countries whose competition we can scarcely face and live? Carlyle tells of a forlorn widow and her children who were left to perish of fever in a great city. She cried: "Behold I am sinking, bare of help, ye must help me, I am your sister, bone of your bone;" but they refused. "Nothing is left but that she prove her sisterhood by dying and infecting you with typhus; seventeen of you lying dead will not deny such proof that she really was flesh of your flesh." It is so with agriculture. Instead of lightening its load in its dire extremity the protectionists have regarded it as a natural-born beast of burden, till it has proved its transcendent importance as a Canadian industry by infecting the favored industries with its depression and making the entire community share its misfortunes.

#### ALLEGED ADVANTAGES TO THE FARMER.

Protectionists maintain, to be sure, that they benefit the farmer. As we have seen, they are not protecting him against Australian competition when they coax it by steamship bonuses to come here. At present his only possible

competitor in the Canadian market is the American farmer. Canadian protectionists say in effect that, although he has been protected up to the eyes for years, the American farmer does not possess a home market in which he can sell all he raises at remunerative prices, but is obliged to export vast quantities dirt-cheap against which it is necessary to protect the Canadian farmer. They allow, in short, that so far as the farmer is concerned protection in the States is a failure. American protectionists like McKinley say, in turn, that notwithstanding the N. P., which was to increase its price and furnish it with a home market, Canadian farm produce is so miserably low that the American farmer must be protected against it, or he will starve. They pronounce Canadian protection a fraud so far as the interests of the Canadian farmer are concerned. If there were two yellow-wagon doctors at a fair vending the same lightning oil and if each declared it to be a humbug in the hands of the other, we should have little difficulty in coming to the conclusion that both were quacks.

The cheese industry has grown rapidly in Canada, and protectionists say gleefully : "Yes, cheese is protected three cents per pound." In the States it is protected four cents. On protectionist principles it must be dearer there than here, so that our duty is useless. Practical cheese-men like Mr. D. M. Macpherson, Patron M.P.P. for Glengarry, say with truth that if our duty had never been imposed at all the industry would have thriven with no less vigor. The natural conditions existing here, the climate, soil and water, coupled with the energy of the factory owners and the farmers, who had to resort to some other staple when wheat became unprofitable, have made the industry what it is. Protection simply handicaps it. There were over a thousand factories in operation in this province in 1894. In each the machinery, piping, cloth, thermometers, curd knives, etc., are taxed ; the duties on coal and iron increase railroad rates, the tariff on imports increases ocean rates, while the farmer who supplies the milk is taxed right and left. Altogether, Mr. Macpherson calculates that protection does the farmer out of about a cent per pound on all the cheese made in the country, and out of half a cent or so on all the butter. According to the Bureau of Industries, 63,800,000 pounds of factory cheese were made in Ontario in 1894.

"Anyway" the protectionist cries, "you must admit that the duty of 7½ cents per bushel on corn increases the price of corn." No doubt it does, and more's the pity. The cattle-raising and dairying industries, of so much importance to the country, require cheap feed above everything. It is their essential raw material. Corn is relatively the best and most economical of feed. This year the American crop amounts to two thousand five hundred million bushels, much of which will be converted into beef and pork that will compete with our beef and pork in Europe. France, like Canada, raises some corn but not sufficient for her wants, and this is how the experiment of taxation is turning out there. (British Foreign Office report, 1895, p. 116) :—

After suspending the small production of maize, which hardly exceeds 7,000,000 quintals, France, agriculturists succeeded in putting a duty of three francs on this grain in July, 1890. There were many protests from starch and sugar makers and owners of horses and cattle, but the duty was carried and has since been maintained. The amount of the duty was simply added to the price without any effect in keeping up the values of competing cereals."

Has the duty kept up the price of our competing cereals ? Free trade is analogous to division of labor, it enables the inhabitants of a country to exchange the products which they can raise to the best advantage for pro-

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lucts which they cannot raise at all or only at an excessive expenditure of effort. With free trade between Canada and the States we could barter barley for their corn and both would profit by the transaction. Under any circumstances it would pay us to obtain corn at first cost instead of with a duty added. The Ontario hay crop of 1894 was a short one, that of 1895 was still more deficient, and to check a supply of cheap corn, to be paid for in barley, beans or some other Canadian product, is not wise. It is worth noting in this connection that the number of hogs in Ontario in 1894 was not as large as the number in 1891, while this year we have had to resort to extraordinary measures in order to keep our cattle alive. By Section 12 of the tariff the Government offers to admit corn free from the States when they admit our barley free. Because we suffer along with the American consumer from the United States tax on our good barley, it is of advantage that we should suffer still more by taxing their cheap corn—such is the logic of protection.

Except to throw dust in the farmer's eyes, what is the use of the 15 cent duty on wheat or the 30 per cent. duty on barley? Does the farmer's wife make anything by the duty on eggs or poultry? We have but to compare prices at Buffalo with prices at Toronto or Montreal to see that we are "protecting" ourselves against poultry, eggs, barley, wheat, beans, potatoes, etc., that fetch more over there than here and consequently do not compete with ours in this market. So cattle (20 per cent. ad. val.) and live hogs (a cent and a half per pound) bring more, as a rule, at Buffalo or Chicago than in Canada. When live hogs are dearer at Chicago than Toronto, pork at Chicago is often cheaper, a phenomenon explained by the fact that the Chicago packers do an immense business with the maximum of economy and turn the refuse, wasted here, to good account. It is said, by way of a jest, that they utilize everything but the squeal.(a) Certain farmers in the United States are agitating for a bounty on the export of farm products as compensation for the loss inflicted by protection. Canadian farmers ask for no favors, in Government butter dealing or otherwise. All they desire is the elementary right to buy in the cheapest market, where they are obliged to sell.

It is said that the farmer gets back from the enhanced profits on the "small truck" he sells in factory towns all he contributes under the tariff to the maintenance of the factories, and more. If a factory or any number of factories depending for existence on the tribute levied by the N. P. were to return to the farmers as much as they took from them, how could they live? It is safe to say the farmers in the vicinity of Montreal, Toronto or Hamilton do not get their own back, much less those remote from large centres.

Then it is said:—"But look at the deplorable condition of the British farmer under free trade." Britain is a large importer of food. Canada is an exporter. Duties would undoubtedly raise the price in England and starve the masses as they were starved under the Corn Laws, but, as happened then, the beneficiary would not be the working farmer so much as the idle landlord. Between 1820 and 1837, the Corn Laws being in full blast, Parliament appointed five different committees to investigate the causes and possible remedies of agricultural distress. In years of scarcity when the price

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(a) It is not worth while giving comparative price lists here for by the time this pamphlet reaches the reader they would be out of date. The Patron speaker can readily obtain a copy of the *Buffalo Commercial*, a daily paper, and compare its quotations with those of the *Toronto Mail and Empire* for the same day.

of wheat was very high the landlords fixed rents in proportion, so that when the price fell the tenant could not make both ends meet. Under free trade the British farmer has to face world-wide competition, but so have the farmers of Canada and the United States. He gets higher prices than they get, and his position as a rent-payer is not much if any worse than that of thousands of farmers on this side who are carrying mortgages. If Government does not help him it does nothing to crush him. He procures factory goods at the lowest price in exchange for his products. Combines cannot live in the bracing air of competition; their habitat, the place where they thrive, is the protectionist hot-house. France imports food, though not nearly so much as Britain, and taxes her imports. Yet the British Foreign Office report above quoted speaks of a "strong protectionist" in the Chamber of Deputies moaning the prostration of French agriculture, the fall in prices, the multiplication of mortgages, the depreciation in the value of land, "eviction following eviction, and finance companies being obliged in spite of themselves to reconstitute large domains akin to those of feudal times." Where the French farmer suffers is in the taxes he has to pay to the manufacturing industries, and, as in our own case, the duties have provoked retaliation on the part of neighbors, who have excluded his products from their markets by higher tariffs. We need not go to France, however, for proof that protection is not a cure-all for agricultural distress. In addition to the municipal statistics already quoted from the Bureau of Industries, the agricultural statistics for 1894 just issued throw light on the depression in Ontario. Since 1883 the value of farm lands has decreased \$67,500,000, notwithstanding that the cleared land has increased from 10,500,000 acres to 12,300,000. In the same period farm buildings have increased by \$41,000,000, implements by \$8,000,000, live stock by \$11,500,000, but, as the Bureau says, "these improvements have no more than kept pace with the progress of clearing."

As a last bid for the support of the farmer it is said that even if protection does him harm he should remember that it was by protection England became a great manufacturing and maritime nation. In *The Nineteenth Century*, February, 1880, Mr. Gladstone replies briefly to this wild assertion. He takes the cotton industry, and shows that while during the protection era it was the most powerful of British manufacturing industries, it was also the least protected. He says:—

"The pretended benefit of protection during the first minority of a trade is just what it had least of all enjoyed, and, consequently, it had grown beyond any other trade. The other trades of the country were kept in swaddling clothes while cotton had its right hand free. Is it possible to contend that the swaddling clothes were the secret of strength in face of the fact that the child but half swaddled grew the most, and that, when the whole was removed from the rest, and the residue from it, then its brothers and sisters began to catch up? Protection, if a guardian, is a guardian who carries to his own banking account the proceeds of the minor's estate; and the favor now shown to protection in America and elsewhere is simply endowing such a guardian with an annuity instead of ensconcing him in the prison or the dock."

#### ITS GENERAL DISADVANTAGES.

While it adds nothing, then, to the market value of crops, let us enquire how protection affects the cost of producing them. On this point the evidence is irresistible. Protection was engineered through the polls and through Parliament by the manufacturers, and they have financed it ever since. On the eve of a general election, it will be remembered, a leading politician likened himself to a man in a tree shaking the fruit to the ground for the

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benefit—it was not a polite simile—of a lot of hogs; and, adding that it was their duty to see that he did not lack the sinews of war, forthwith passed the hat. It would have sounded no worse if he had compared himself to one of those Turkish Pashas who stand in with the brigands and share the ransom they get for their captives. Only, under the tariff system the victims are not rich men exclusively, but rich and poor together; and, as will be shown in a moment, the poor man has frequently to pay a greater ransom than the rich. In the House, in 1878 (Hansard, March 1) Mr. Haggart declared that the price of store goods would not be dearer in Canada by reason of protection than elsewhere, but the contrary:—

"Mention was made of the poor consumer who, it was said, would have to pay more taxes under a protective tariff. Protectionists did not advocate anything of the kind, and did not intend that the consumer should pay any more taxes than at present. They simply desired to secure such a re-adjustment of the tariff as would encourage manufactures that would thrive in this country; and the manufacturers said to the Canadian people: 'If you will grant us adequate protection we will not only sell to you as cheaply as other countries can, but in course of time more cheaply.'"

In one of the resolutions submitted to the House by Mr. Haggart's leader, the N.P. was going to "prevent Canada from being a sacrifice market." That is, foreign goods were to be excluded for being too cheap, while the Canadian manufacturers were to sell them as cheaply and in course of time more cheaply—a promise which has not been fulfilled and probably was never meant to be. If Mr. Haggart ever cons that old speech, how does he reconcile it with the existence of the combines? A manufacturing combine may be formed to reduce cost of rent, plant and management, in which case, like a combination store, it is beneficial. But most of the manufacturing combines which have arisen since 1879 are of the predatory kind, and the farmer is their favorite quarry. It is not worth while naming them in detail. Time was when they kept under cover, but now they flaunt themselves in the light of day and hold their periodical meetings for determining to what amount he shall be "held up" on salt, cotton, barb wire or nails with as much flourish as if they were benefactors of the race instead of parasitic bodies preying on honest industry.

The cost of manufactures has declined everywhere since 1879 owing to new processes and discoveries, but it is undeniable that protection hinders the Canadian people from getting them as cheap as they sell for elsewhere—that, indeed, is its *raison d'être*. How much the farmer is "held up" for every year it is hard to say. The customs duties, let it be borne in mind, represent merely the sum added to the price of foreign goods imported. But fully as great a sum is added under cover of the tariff to the cost of goods manufactured in Canada. In England, practically all that the great mass of the people pay are the bare excise and customs duties. They are exempt from the income tax. The excise duties are collected principally from liquors and tobacco, which nobody is obliged to use. The following is a list of the articles (other than tobacco, beer, wine and spirits, and substances containing spirits) subject to customs taxation in England, from the British trade returns for 1894:—

Chicory (2d. per pound). Playing Cards (3s. 9d. per doz. packs).

Cocoa (1d.). Coffee (14s per cwt. on raw).

Dried Fruits (various rates). Tea (4d. per pound).

Roasted Coffee and Chicory (2d. per pound)

There is not a shred of protection. The duties levied on foreign beer, spirits cards, etc. are balanced by the excise duties which the home producer

has to pay, so that he derives no benefit from them. Tea, coffee, dried fruits, etc., are not, of course, produced in England so that the duty on them is not protective. In 1894, England admitted foreign articles free to the amount of £389,000,000 and taxed £28,000,000 worth, whereas our free list was \$50,000,000 and our taxed foreign goods \$63,000,000. In Canada as in England, payment of the excise duties is optional in the sense that one need not smoke or drink. But customs taxation in Canada is imposed on many hundred articles, including all the necessaries of life and production, and on top of them the home manufacturer exacts his special tribute by charging us more for the goods he makes than we could get them for abroad in exchange for our wheat, cattle or cheese. In his famous tariff reform message to Congress in 1887, President Cleveland put this important point clearly :—

"The amount of the duty measures the tax paid by those who purchase for use these imported articles. Many of these things, however, are raised or manufactured in our own country, and the duties levied upon foreign goods and products are called protection to the home manufactures because they render it possible for those of our people who are manufacturers to make those taxed articles and sell them for a price equal to that demanded for the imported goods that have paid customs duty. So it happens that while comparatively few use the imported articles, millions of our people who never use and never saw any of the foreign products, purchase and use things of the same kind made in this country, and pay for them nearly or quite the same enhanced price which the duty adds to the imported articles. Those who buy imports pay the duty charged thereon into the public treasury, but the majority of our citizens, who buy domestic articles of the same class, pay a sum at least approximately equal to this duty to the home manufacturer."

Two propositions may be laid down as tolerably sound, and they sum up the Patron platform on this subject :—

First, taxes imposed on the people, as in England, wholly and solely for the support of government, and with due regard to each citizen's ability to pay, and in such manner as to put most into the treasury with the least waste, are just and equitable.

Second, taxes imposed on the people not for the support of government alone, but to enable a particular few to benefit at the expense of the many, are robbery, no matter how named.

Recollect also that, as just shown, these tariff obstacles tend to lose us the custom of great food-buying countries in the Old World, notably of England, who goes where she can do better and spends her surplus capital in works of development. Further, protection wastes capital. The prospect of roaring profits leads to excessive investment in manufactures, the local market is soon glutted, and, as exporting in the face of cheaper foreign goods is difficult, nothing remains but fierce competition at home, from which the consumer derives but little benefit because prices are still higher than foreign, followed in due course by the formation of combines for restricting the output and maintaining prices at the highest notch. The Canadian home market consists of only five million customers scattered over a vast area. The cost of selling goods through commercial travellers journeying from Vancouver to Cape Breton is high, the cost of shipping the goods is high, and the more remote the customers the greater the risk and the less frequent the turn-over. If we had free trade on this continent the manufacturers and merchants of Toronto would not trade with communities like Nova Scotia and British Columbia, who would be supplied nearer home, but with the far larger populations immediately to the south, in New York, Pennsylvania, Ohio and Michigan, with some of whom they can converse by telephone and all of whom they could reach in a few hours by rail or water. Consider, too,

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the immorality of protection and its baneful influence on government. When men can make money not by earning it but by getting Parliament to legislate it from the pockets of the people into their pockets, corruption with its Red Parlors, hired newspapers, campaign boodle and "something for the boy" is inevitable. To revert to the actual material loss, if we assume that in addition to the \$20,000,000 a year paid in custom duties \$20,000,000 a year goes to the home manufacturer in high-tariff prices, the sum he has done us out of since 1879 exceeds the gross Federal debt. Yet protectionists, in alarm at the depression now prevailing, ask as if it were a hard question to answer:—"How is it that the farmer is so poor?"

It is impossible to show the working of each of the hundreds of duties that increase the cost of farming and diminish the purchasing or exchange power of the farmer's products. A few salient instances will be given and the rest must be judged from them.

#### THE IMPLEMENT DUTIES.

Let us take the case of the implement industry in which farmers are particularly interested. First of all, however, a prevalent error needs correcting. It is commonly said that the duty on implements has been reduced to 20 per cent. This is not so. The duty on mowing machines, self-binders, harvesters without binders, reapers, sulky and walking ploughs, harrows, cultivators, seed-drills, horse-rakes, is now 20 per cent., but the duty on scythes, hay knives, lawn-mowers, pronged forks, hoes, small rakes, mattocks, grub-hoes, etc., remains at 35.

The implement industry took root in Upper Canada over forty years ago. As the province does not possess coal, the iron manufacture could not be pursued with advantage, and iron, steel and other materials were admitted free or at nominal rates while the duty on foreign implements was low, the highest rate being 17½ per cent. just prior to 1879. In 1879, the duty on foreign implements was raised to 25 and three years later to 35 per cent. The high duty attracted a superabundance of capital, and there was soon plant enough in Ontario to supply implements to a far larger market than we possessed, even with the opening of the North-West. Then a war of each against all broke out among the manufacturers till the following were driven out of business, permanently or temporarily, or retired to escape loss:—

Globe Mfg. Co., London.	Brown & Patterson, Whitby.
Elliott, London.	Thompson & Williams, Stratford.
Crawford, London.	Mercer, Alliston.
Harvester Co., Chatham.	Haggart & Cochrane, St. Thomas.
Maxwell, St. Mary's.	Johnston, Milton.
Watson, Ayr.	Gowdy, Guelph.
Haggart, Brampton.	Lawrence Bros., Palermo.
Joseph Hall Works, Oshawa.	McKittrick, Orangeville.
Harvester Works, Dundas.	Kilgour, Mt. Forest
Gurney Manfg. Co., Dundas.	Laidlaw, Paisley.
	Sylvester, Lindsay.

It is estimated that upwards of eight millions of capital that might have been employed to advantage in other ways has been lost in the implement industry since 1879.(a) Some of the survivors have found it advisable to

(a) Many who, between 1879 and 1882 bought stock in implement works, wagon shops, cotton factories, etc., are ready to admit the truth of a passage in one of the late Professor Thorold Rogers' books:—"The rate of interest in young colonies is always

come together under one roof in order to reduce expenses of agencies and management. The North-West trade has not "panned out" well simply because the manufacturing, land and railway monopolies have not given the North-West a fair chance.

Of late, the companies which build mowers, reapers and binders have had a curious experience. While they are protected 20 per cent.,  $2\frac{1}{2}$  more than under the revenue tariff of other days, they now pay from 25 to 60 and over on their raw material. Protection has landed itself in the anomaly of taxing the raw material higher than the finished product. This state of things has arisen chiefly from the effort to protect and encourage iron making in Nova Scotia. A glance at the map is sufficient to show that the natural market for Nova Scotia iron and soft coal is New England, which is a great manufacturing centre without either. The mines in Nova Scotia are close to tide-water and freights to Boston would be low the year round. Congress excludes the coal, however, by a duty of 40 cents and the pig iron by a duty of \$4, to the injury alike of New England and Nova Scotia. It occurred to Sir Charles Tupper to recoup Nova Scotia at the expense of Ontario, the chief seat of manufactures in the Dominion, as if, because one province was injured by the action of a foreign legislature, the injury of another by our own would be some sort of compensation. Accordingly, American and British soft coal is taxed 60 cents and British and American pig iron \$4. In 1879, when the coal tax was levied, Sir Charles declared in Parliament that Nova Scotia coal would be sold by the vessel load at Toronto and Hamilton at the same price as American, which it would ultimately supplant. When he imposed the \$4 iron duty in 1887 he drew a picture of the development that was to ensue all over the Dominion which he probably wishes now he had left undrawn. The most advantageous market for Ontario to buy iron in is not Nova Scotia, 1,200 miles off, but the coal and iron States just across the lakes. In the first place, the latter have many more varieties of iron to choose from. Second, while a ton of pig can be brought from Chicago or Pittsburg to Toronto for two dollars and frequently less, it costs nearly five dollars to bring a ton from Nova Scotia, whether all rail or by water to Montreal, and thence by smaller craft (involving transhipment at Montreal) through the shallow St. Lawrence canals. Lastly, although the Nova Scotian gets a bounty of two dollars per ton from the Dominion treasury, pig iron costs less at the furnace at Chicago or Pittsburg, where no bounties are paid, than at the furnace in Nova Scotia chiefly because production there is on a larger and more economical scale. Hence, very little Nova Scotia iron is used by the larger implement firms of Ontario; it is cheaper, all things considered, to buy in the States and pay the duty at the frontier. It is the same with coal. Notwithstanding the duty of 60 cents levied to force it up, not a car-load of Nova Scotia coal comes to Ontario in a twelvemonth. The duty which this province pays on American coal (\$780,000 in 1894) and the duty which it pays on American pig iron (\$110,000 in 1894) are monstrous charges, as protectionists themselves must see, on the fundamental articles of industry. Whilst they do Nova Scotia little good in the way of "building up" her mines they do Ontario immense harm as a manufacturer, and get

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high, for lenders are scarce, borrowers numerous. It is the height of folly then to starve such capital as does exist by wasting a portion of it in occupations or employments which are imperfectly productive, and which need, despite the natural advantages attached to the home production, the artificial assistance of legislative protection in order that they may exist."

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back at the farmer all through the Dominion in the shape of dear goods and high railroad rates (*a*).

Pig iron is given in short tons in the Government trade returns but is bought and sold by the long ton of 2,240 pounds. There has been a rise in the price lately in the United States, but the larger Canadian factories made long-running contracts when it was low. The duty of \$4 per short is equal to \$4.48 per long ton, which is about 40 per cent. of the cost of the iron they are using under the contracts referred to. The duty on implement steel and bar iron is \$10 per ton, or from 30 to 40 per cent. *ad valorem* at contract prices. The duties on malleable iron, nuts and bolts, nails and rivets, paints, tools or steel for making them, cotton duck for binder aprons, oils and varnishes, etc., range from 25 to 65 per cent. These imposts were stifling the export trade in implements to Europe, Australia and South America, which last year amounted to \$465,000, Ontario's share being \$452,000 worth. The Government has, therefore, granted implement as well as other manufacturers a drawback of 99 per cent. of the duty paid on imported materials entering into the construction of articles destined for export. That is to say, when an implement firm pays \$100 duty on pig iron from Chicago it gets \$99 back when the binder or mower fabricated from the pig is shipped to Sydney or Buenos Ayres. But if the machine is sold in Canada it gets nothing back; the whole amount of the duty is retained by the Government and exacted in the last analysis from the Canadian farmer. In this particular, therefore, the Canadian farmer is discriminated against. It is not pretended that, because of the drawback, Canadian-made implements are sold for less abroad than at home. There are various reasons why a higher price can be demanded from the foreigner. But the Government should not single out the foreigner for extraordinary favors. Manifestly, as the drawback of 99 per cent. of the duty enables the Canadian manufacturer to sell cheaper to the Argentine farmer than before, the removal of 99 per cent. of it by legislation would enable him to sell cheaper to the Canadian farmer than now. Why should the latter be passed over when taxes are being remitted? The Nova Scotians complained when the 99 per cent. drawback was instituted because it deprived them of any chance they may have had of supplying pig iron for the Ontario export trade in implements, and to that extent was contrary to N. P. doctrine. It has had another effect which they scarcely anticipated. The manufacturers cannot keep their foreign and Canadian pig iron separate in the process of making implements, and rather than risk the loss of the drawback to their foreign trade they use as little as they can of Canadian iron in manufacturing for the home market. Thus the drawback is unjust on protectionist principles to the Nova Scotia furnace-man and unfair on every principle to the Canadian farmer.

By Section 591 of the United States tariff, Congress offers free trade between the two countries in "ploughs, tooth and disk harrows, harvesters, reapers, agricultural drills and planters, mowers, horse-rakes, cultivators, threshing machines and cotton gins." The Ottawa Government has refused this offer because, as it confesses by granting the drawback on machines going abroad, the duties levied on the raw materials enhance the cost of manufacturing implements in Canada. So long as those duties are maintained, free trade in implements cannot be brought about without loss to this long-established

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(a) Sir Henry Tyler, lately President of the Grand Trunk, said the soft coal duty cost that company \$350,000 a year.

industry. The first step, therefore, is to get the raw material duties repealed. It is absurd from a protectionist point of view that they should be higher than the duty on the completed article. Cheaper implements are a necessity. In the Argentine the duty on them is 10 per cent., in the Australian colonies the highest duty appears to be 15 per cent. Transportation rates on implements to those countries from Ontario are no higher than rates from Ontario to points in Manitoba and the Territories. On the other hand, the wheat rates from the Argentine to Liverpool are lower than the wheat rates from any part of Manitoba, indeed than the wheat rates from most parts of Ontario. In the light of facts like these it is idle for protectionists to keep telling us that implements are cheaper to-day than they were ten or twenty years ago. What is wanted is a still greater cheapness, that the Canadian farmer may have a chance with his competitors in the countries just named and in the United States, and that can be got by the repeal of the raw material duties. The implement duty can then be reduced or repealed with justice to all concerned.

"But," protectionists say, "repeal of the raw material duties would close the Nova Scotia furnaces and the furnace about to be started at Hamilton." This Hamilton furnace, by the way, will when in blast be all Ontario has to show for eight years of iron and steel protection during which \$20,000,000 has been collected from the Dominion in duties, and several millions more abstracted from our pockets by the furnace men, casting works, nut and bolt combines, barb wire combines, nail combines, and other monopolies. The answer to the cry that the furnaces would have to shut down is that Patrons are out for the greatest good to the greatest number. (a.) All the "infant" furnaces in Canada, including the charcoal ones in Quebec that have been running since the middle of last century, are of no account by the side of the implement and other iron-using industries which are being severely injured, and less than none, viewed as factors of production and prosperity, by the side of the 700,000 farmers who want cheaper tools.

In 1894 (Auditor-General, s. 42), \$125,000 was paid as bounties on pig iron. About 60,000 short tons were produced in Canada. The imports of pig iron for home consumption were 45,000 short tons, the duty collected \$179,000; the value per ton a trifle over \$10 prior to the collection of the duty. Hence to ensure the home manufacture of 60,000 tons we paid over \$300,000 directly in bounties and duties. We also paid a tribute equal to at least the amount of the duty on each of the 60,000 tons; that is, each ton cost the Canadian consumer four dollars more than it would have cost if imported. Altogether, then, the production of 60,000 tons cost \$540,000 in bounty, duty and tribute to the furnaces, or nine dollars to "encourage" the home manufacture of each ton of an article that cost ten abroad and can be

(a). A protectionist paper in Toronto says it is necessary to protect pig iron because labor in the United States, notably in Alabama, is "degraded." In other words, because protection has failed after a long trial to keep up the wages and status of those engaged in the American iron industry, it is necessary to try it in Canada in the interest of Canadian labor. But the implication that wages are higher in Canada than they are in the United States is unfounded. A good deal of the iron ore dug in Minnesota and Michigan is dug by Canadians who went there to better their condition. In Alabama iron is cheap not because wages are low but because nature has been generous in supplying immense deposits of ore easily worked and lying close to equally large deposits of coal. The United States census reports for 1891 (under head of iron ore production) show that in Alabama the wages of laborers above ground average \$1.20 per day, below ground \$1.47. In Nova Scotia they do not average a dollar.

manufactured in Alabama for six. In making steel the Nova Scotian gets two dollars bounty on his pig iron, two dollars more for converting it into steel, and a protection of \$10 per ton on the steel. On such terms we could raise our own cotton and tea under glass. But even protectionists would balk at that experiment although no more costly than the one they are engaged in with pig iron, and not nearly so harmful to the legitimate industries of Canada.

The bottom fact of free trade, the rule on which all rational men act in private dealing, is that it is better to procure the commodities we need by exchange than by home production when exchange is cheaper than production. Any one can see what a losing business it is to produce iron when it could be got for less by exchange. No commodities play a much larger part in modern farming than iron and steel. It is with them the farmer sows and reaps, they carry his produce to market as railroads and ocean vessels, serve in his cooking and his fencing, are constituents of his barns and out-houses, and figure in all he does and has. It is a great blunder to impose onerous duties on articles of such cardinal necessity especially when agriculture is languishing and the farmer's tariff medicine should be tempered to his malady. The policy, as said, is not doing much for Nova Scotia. That province is the only place possessing coal and iron in the New World or the Old where population is stationary, which is the best evidence that our experiment in fighting nature and trying to make Ontario buy in a dear and distant market when there is a cheap one at her door is of no great benefit to the Nova Scotians.

Look, too, at the coil in which the protectionists have got themselves. Protection usually begins by levying duties on a few articles "just to give some home industries a start." But it invariably enlarges its area of action and ends by coddling so many industries that, what is meat for one being poison for another, the favors it confers on the first recipients are neutralised by those conferred on the second and third lot. The protection which the implement industry enjoys, for instance, is more than counterbalanced by taxes imposed with the object of rearing a few dropsical "infants" of which it may fairly be said that it would have been better for themselves and everyone else if they had never been born. To tax a raw material higher than the finished article is to make it dearer to manufacture that article in Canada than to import it; in other words, to encourage not home but foreign industry. Our true course is to fight with nature, not against her. Let Nova Scotia sell if she can to her natural market in New England. But whether she can sell there or not, it is of vital moment to the province of Ontario that it should be able to buy essentials like coal and pig iron at first cost.

The duties have had the effect of greatly diminishing the export of British iron and steel goods to Canada while the exports of the United States have relatively increased. American manufacturers dealing with Canada have an advantage over British in respect to distance, and when a high tariff has also to be overcome the British are thrown out of the race. When the duties were being imposed the British Iron Association (British parliamentary return, Canada, c-5179, 1887), said in a memorial to the Imperial Government that the movement was instigated by persons in Canada "better able to do the business of lobbying than the agricultural interest, which is widely scattered and but little capable of united action;" that taking the total consumption of iron and steel goods in Canada as equivalent to 350,000 tons a

year, their cost to the Canadian farmer would be increased about a pound sterling per ton ; that the diminution of purchases by Canada from England must affect British purchases from Canada ; and that the Canadian policy of striking at British manufactures is the "surest possible means of alienating the affections and interests of the two countries." But our protectionists were deaf. The said they were "for Canada first." A good sentiment enough, only in their mouths it meant for themselves first—for themselves at any cost to the rest of us.

The stove industry has had a similar experience. The protective duty of 27½ per cent. enticed too much capital into it. The following manufacturing firms amongst others have been forced out of business since 1879 :—

Chown & Cunningham, Kingston.	St. Catharines Stove Co.
The Harte-Smith Co., Belleville.	Dundas Stove Co.
Oshawa Stove Co.	J. R. Armstrong, Toronto.
Peterboro' Stove Co.	Laidlaw & Co., Hamilton.

There has been a great waste of capital. The larger firms do not use any Nova Scotia iron. They would not use if they got it for nothing, because they could not ; it is not suitable for their business. They buy their entire supply in the United States, for radiators the grade known as soft Southern. They, too, made long-running contracts when the price was low and the duty of \$4.48 per ton is equivalent to over 40 per cent. of the cost of their present supply. Here again, as will be observed, the duty on the raw material exceeds the amount of protection on the finished article. The ordinary farmhouse stove weighs 400 pounds and is sold at the factory to middle-men for \$16, costing \$20 by the time it reaches the farmer. If the duty on pig iron and those on steel, copper and other articles entering into the composition of a stove were repealed, the price to the farmer would be less by over a dollar. The cost of the hollowware belonging to the stove is enhanced in the same proportion by protection. A curious sight was witnessed a few months ago. Radiators (154 tons), were wanted for the new asylum at Brockville. The duty on radiators is 35 per cent. The duty on pig iron being higher, the N. P. practically gave a bounty to the American makers and they supplied the asylum, their prices being lower than those of Ontario makers. Hence the home manufacturer and artisan were done out of so much work, the Nova Scotia furnaces received no benefit, while the Canadian consumer was fleeced—a fine commentary on the "building up" virtues of protection. (a)

(a) It is said that if Ontario pays dear for coal and iron she sells food products and manufactures to the coal and iron interests in Nova Scotia. According to the census the number of coal and iron miners there is under 6,000, which includes stone-quarry men. A few score skilled men are employed. With their families, they perhaps form a market of about 30,000 persons. Ontario cannot, therefore, make much out of them. The fishermen buy from us also, though the deep-sea fishermen (the owners of schooners) are allowed to get their food supplies free in bond from the United States. The inshore or poorer class of fishermen do not enjoy that privilege. It is quite certain that we lose immensely more by the iron and coal duties than we get in profit from our trade with the Maritime Provinces. Both miners and fishermen curse the policy that compels them to pay more for food and clothing than they would have to pay if they could freely exchange their iron, coal and fish in the neighboring New England market for these necessities of life. The fishermen, however, are placated with bounties, free salt and free nets, seines and twines. The Ontario farmer who has to pay his share of the coal and iron duties receives no compensation ; his salt is taxed, his twine is taxed, his implements are taxed and there is no bounty for him or his industry.

## THE WORK OF THE COMBINES.

We are all pretty familiar with the recent history of the cotton industry. Under a revenue tariff the mills made good profits, and no wonder, for they had a protection of  $17\frac{1}{2}$  per cent. plus the advantage of the distance from New and Old England. When the duty was increased many new mills were started on the strength of the prospect of better profits, so many indeed that the home market was soon gorged. The next thing was keen competition, which brought a number of concerns to grief without affording much relief to the Canadian consumer, for the prices were never reduced as low as foreign; and then the inevitable combine. Several millions of capital have been annihilated in this manner or locked up in mills that are standing idle under orders from the combine, which bought them cheap and watered its own stock. Speaking generally, the tariff excludes the cheap cottons of England and the United States and forces dearer cottons on us of no better if so good a quality. The complaint is universal among dry goods men that Canadian cottons are not as good as they were when foreign competition was allowed. The poor man is singled out for the heaviest taxation. For example, Section 445 of the tariff levies ten cents per pair and 35 per cent. ad. val. on socks and stockings. Socks of cotton or cotton and wool can be bought in England for a dollar per dozen; others, all-wool, cost four dollars. The duty on the cheap ones is therefore equivalent to 45 per cent., on the dear ones to  $37\frac{1}{2}$ . This rule of hitting the poor man harder than the rich prevails of necessity wherever specific duties, *i.e.*, so much per pound or square yard, are levied and reaches its worst in the case of heavy stuffs like blankets, over-coatings and felt cloths. Section 440 taxes blankets five cents per pound and 25 per cent. Blankets can be bought in England as low as 15 cents per pound, and the duty on this kind is therefore over 58 per cent., while that on blankets worth 50 cents a pound is only 35. Similarly by Section 453 floor oil-cloth is taxed 30 per cent. ad. val. "but not less than four cents per square yard," which means that the cheaper kinds pay most. The tariff on textiles discriminates against the poor in another way. The duty on dyed and printed cottons is 30 per cent. Such cottons are converted by sempstresses into blouses and dresses, the duty on which is  $32\frac{1}{2}$  per cent. Hence, as they have to pay 30 on their raw material to the combine, they receive but  $2\frac{1}{2}$  protection for the finished product into which they have put their skill and badly-paid labor. The woollen tariff is equally without bowels for the poor. Under the old tariff dress goods and wool or worsted costing up to 10 cents per yard in England were taxed  $22\frac{1}{2}$  per cent.; costing over 10 and under 14 cents 25 per cent.; 14 cents or over  $27\frac{1}{2}$  per cent. The object of grading the duties was to admit winceys and other cheap goods at a lower rate than dear goods. Protectionists used to boast that it was an "arrangement for the benefit of the poor man." If they had really desired to benefit the poor man they would not have imposed any duty. But in "reforming" the tariff in 1894 all these goods were taxed at a uniform rate of 30 per cent. (Section 439 of present tariff). Observe, too, that while blankets and flannels, which no Canadian can do without, are by Section 440 taxed five cents per pound and 25 per cent., the very next section lets the rich man get in his travelling rug at 25 per cent. Again, under the former tariff, velveteens, *i.e.* cotton goods in imitation of velvet used by poor people for trimmings and dresses, were taxed 20 per cent., but under the present reformed tariff (Section 411), the duty is

30. In several other cases we can detect the hand of the combines compelling the Minister, who was no doubt honestly trying to lighten the burdens of the people, to add to them and thus swell their gains. Ministers who accept campaign funds from our "infants" are not free agents when an infant climbs out of the cradle and threatens metaphorically to knock their heads off if they do not legislate in its interest. The Manufacturers' Association is actually cynical enough to boast of its power over the Government. The committee of that body which looks after tariff affairs bragged in a report about the "reformed" tariff of 1894 of the "large number of changes that have been made in the tariff along the lines suggested in the recommendations" it had forwarded to Mr. Foster; also that "in many instances the language used in both are substantially identical," while "in other instances where the recommendations suggested that no change be made in the duties upon articles therein enumerated, no changes were made." Thus the main authors of the tariff of 1894 were the "infants." We need not say any more about its value as a measure of reform.

The duty on cotton prints is levied for the benefit of one mill, that at Memphremagog. It is the only print mill in the Dominion. Prints are printed from copper plates and manufacturers with a world-wide market like those of England are able to introduce new designs without number and carry this branch of industry to the pitch of perfection. The solitary mill we possess cannot introduce many new designs. The saying among dry goods men is that if the farmers' wives of Canada were to buy none but its goods they would all be dressed in the same uniform like the inmates of a charity home. To keep this lonesome "infant" alive they have to pay it 30 per cent. more for its products than they could be got for in England in exchange for their butter, or, as most of them do, pay 30 per cent. more for the excellent English prints than would be necessary under free trade. In 1894 the customs duties paid on imported cotton manufactures (Trade returns, p. 408), amounted to \$1,140,000. The imports were valued at \$4,000,000. The duty thus averaged nearly 30 per cent. That is what went into the treasury. But we may be sure the combine took full advantage of the power conferred upon it by Parliament to add 30 per cent. or so to the price of home-made cottons, and probably a million more went into its coffers. In a word we are paying at least \$2,000,000 a year more for cottons than is necessary, half to the revenue, half to a privileged extortioner.

The hat the farmer wears is taxed 30 per cent. There were hat factories in Ontario prior to 1879, and the amount of business they did would compare very favorably with the amount done by the protected factories now. Protection is apt to make the beneficiary sluggish and inert. Canadian hatters took things easy after 1879, neglected the styles, and manufactured a poorer hat. The result is that those who want a really good hat buy an English-made one, which before it can be laid down here has to pay 20 per cent. in freight rates and charges (hats occupy a great deal of space in ocean and railroad transportation), and 30 per cent. for duty, that is, costs half as much again as the price in England. The hatters of Stockport and Denton are great eaters of cheese and are willing to exchange their hats for Canadian cheese. But we prefer to sell our cheese to them in the cheapest market and buy our hats in the dearest.

In 1894 the coal oil imported from the United States was valued at \$420,000, and the duty paid \$466,000. Six and a half million gallons were imported and twice as many more were produced in the Petrolia region and

sold at the price of imported with the duty added. Protectionists accuse the Liberals of having coddled this ricketty infant through the term of the Mackenzie Administration because Mr. Mackenzie sat for Lambton, so that when they took office they could not in decency abandon it. It does not matter to the consumer whether Mr. Mackenzie protected the industry or not or whether he reduced the Conservative duty or not. It is an outrage that an article like coal oil, a necessary in every farm house especially during the long winter, should be taxed 110 per cent. A thousand years of this protection would not make Canadian oil as good or as cheap as foreign, for ours contains too much sulphur besides being confined to a very small district. Bastiat, the French economist, parodied the orthodox protectionist petition by drawing up one asking that the light of the sun should be shut out in the interest of the candle-makers, who employed labor, and as large purchasers of tallow befriended the farmer, whereas the sun was a rank outsider. This was not a bit more impudent than the plea of the oil men, that even if their industry does cost the country an immense sum it is Canadian and should, therefore, be supported against the cheaper product of the Standard Oil Company. The latter may be an "octopus," as Dr. Montague says, or worse, but what the Ontario farmer wants is cheap coal oil and the ethics of Mr. Rockefeller's business methods are nothing to the point. He cannot be a more conscienceless monopolist than those who for five and twenty years have been mulcting the Canadian people a million a year in enhanced prices for the maintenance of an infant industry that can never by any chance reach manhood and stand alone.

Last year we imported 300,000,000 pounds of raw sugar. It was admitted free. The revenue did not profit a dollar. But for the benefit of the one or two refiners, a duty of sixty-four-hundredths of a cent per pound is levied on all refined sugars. As about 250,000,000 pounds of refined are annually consumed in the Dominion, the refiners have a rare opportunity for making money. If they add only one-half the duty to the price, their profit through the tariff is over \$800,000 a year. It is said, however, that the price of sugar is lower in Canada than in the United States. So it is. At present writing the wholesale price of granulated in New York is \$4.75 per 100 pounds, in Toronto \$4.50. What is the explanation? While raw sugar is admitted free into Canada it is taxed 40 per cent. *ad val.* in the States. On the other hand the protection enjoyed by the American refiner is only one-eighth or  $12\frac{1}{2}$ -hundredths of a cent per pound, as compared with 64-hundredths enjoyed by the Canadian refiner. If President Cleveland had had his way the American refiners would have got no protection at all, but their Sugar Trust prevailed over certain Democratic senators when the Wilson bill was before Congress. Assuming we had the same sugar tariff as the Americans, the Dominion treasury would receive nearly \$3,500,000 a year from raw (the value of the raw imported having been \$8,382,000 in 1894), while the refiner could not strike us for more than an eighth of a cent on the refined, which would give him \$300,000 a year. Instead of this, however, he can toll us five times that amount, while the revenue gets nothing. In other words, sugar is a fraction cheaper here than in the States because whilst our tariff gives all to the refiner the American tariff takes something out of the consumer's pocket for the refiner and takes a great deal out for the public treasury. We are taxed wholly in the interest of a few private individuals, our neighbors mainly though not altogether for public purposes, so, notwithstanding that sugar is cheaper here, their sugar tariff is the more equitable of the two.

They do things differently in England. A few years ago British refiners complained of unfair competition. Refined sugar is, of course, admitted free and at that they did not grumble. But they said it was hard to have to compete against the bounty-fed exports of refined beet sugar from certain European countries. But the British people answered, "No. It is better that we should have sugar artificially cheapened by these foreign bounties—made cheaper to us, in fact, than to the people of the exporting countries—than that our free trade policy should be tampered with even in so extreme a case as this." Result: If the British refiners suffered, the British people saved \$20,000,000 a year in the price of sugar by the operation of the bounties, and industries like fruit-preserving and the manufacture of confectionery, by obtaining their raw material so much cheaper than their foreign competitors, were able to export in increased volume to foreign countries. Those who desire to know more of this interesting phase of British trade are referred to Lord Farrer's "The Sugar Convention." Here, the sugar men would have rushed to Ottawa and started an agitation in the press; Ministers would forthwith have passed legislation to prevent the foreigner from undermining our loyalty by giving the Canadian farmer cheap sugar in return for his cheap wheat; and yet we consider ourselves sensible people!

By a similar plan to that employed in the interest of the sugar refiners our one or two rice mills are greatly favored. Cleaned rice is taxed a cent and a quarter per pound, uncleaned three-sevenths of a cent. The mills can thus take toll of about a cent per pound on all the cleaned rice they sell—20,000,000 pounds a year. If taxes are levied at all on articles like rice and sugar they should be levied for revenue so that the treasury may profit instead of for protection to benefit a few. There was a combine in salt which Patrons exerted themselves to break by getting a well to withdraw in consideration of receiving Patron custom to the amount of several hundred carloads a year for three years. The seaboard fishermen get coarse salt free, but the farmer, who is a large consumer of fine salt, has to pay a duty of  $7\frac{1}{2}$  cents ~~or~~ 100 lbs., with a tax on the barrel besides. By Section 608 of their tariff the Americans offer us free exchange of salt. Prior to 1894, binding twine was taxed twenty-five per cent, and a combine was started. Patrons are aware of the efforts made to break it. In 1894 the duty was reduced to  $12\frac{1}{2}$  per cent. In the United States twine is free. The protectionist, having an unsound cause, is frequently landed in contradictions. When the duty of 25 per cent was imposed, he declared it would have no effect on the price, twine would be as cheap in Canada as anywhere else. When the duty was reduced he went about bragging that the Government had reduced the farmer's burdens. It is a way he has whenever any change in the direction of lower taxation is made, although he maintains in the same breath that high tariff taxation is the best policy for us all. Under the former tariff pearl buttons were taxed 25 per cent. *ad val.* Under the reformed tariff the tax is eight cents per gross and 20 per cent. *ad val.* The cheap pearl button known in the trade as No. 18 size, third quality, which is used for shirts, can be bought wholesale in Austria for 14 cents per gross. On this kind, therefore, the reformed duty is over 70 per cent, as compared with 25 under the unreformed tariff. Pearl buttons known as superfine cost in Austria 90 cents per gross. On this class the present duty is not 70, but something under 32, another instance of discrimination against the poor. Nevertheless the cheaper pearl buttons are not manufactured in Canada. There was some talk of an "infant" being set up in Montreal to manufacture them, and the enormous

duty was probably imposed for its benefit, but the project fell through. The duty on buttons is a burden on the manufacturers of ready-made garments and a tax on us all. Rubber-buttons, which are sold abroad at from 40 cents to \$4 per gross, are taxed 4 cents per gross and 20 per cent. *ad val.*, still another instance of taking more from the consumer of cheap than from the consumer of dear goods.

Section 109 of the tariff admits wall paper ungrounded not including borders at 35 per cent. The next section taxes "all other paperhangings and borders, per roll of eight yards and under, and proportionately for greater lengths," a cent and a half per roll and 25 per cent. Three "infants" are operating under the latter section, one at Toronto and two at Montreal. All three manufacture cheap papers, such as are sold in country stores. Cheap papers can be bought abroad as low as six cents per roll, and on these the duty is therefore 50 per cent. Well-to-do people buy stylish papers from the United States, England, France, Germany, Switzerland and Japan. A roll of English "leathers" *i.e.* paper the background of which looks like fancy leather, or a roll of Japanese, costs all the way to \$3.50 per yard or more. If we take a twenty-dollar roll the duty of a cent and a half per roll and 25 per cent. is only 25 per cent. and a minute fraction instead of the 50 per cent. charged to the farmer. It is class legislation to empower three or four individuals to tax us all to keep their factories going; it is class legislation again, of the worst sort, to authorize them to tax the poor man more than the rich.

#### LET US HAVE TARIFF REFORM.

These instances must suffice. Let the farmer get a copy of the *Iron Age*, a weekly newspaper of New York, and compare its quotations with those of the *Monetary Times* of Toronto, in order to see how he is "held up" by the nail and barb wire combines. Prices vary so much that it would be useless to give a table here. A short time ago a manufacturing company in Toronto, which uses a great quantity of wire nails for packing, found that it was cheaper to bring them in car-load lots from Newcastle, Pa., paying 13 cents per 100 pounds for transportation and the duty of one cent per pound at the frontier, which was equal to 75 per cent. *ad. val.*, than to get them from an "infant" within a few doors of its own factory. Not many persons, however, can afford to import in large quantities or to import at all, and these are ground by the combines. His wagon, buggy, horse-shoes, clock, tweed suit, harness, pump, soap, vinegar, baking powder, starch, axle grease, boots, carpets, churn, washing-machine, clothes wringer, mangle, crockery, cutlery, furniture, grindstone, axe and hammer, gloves and mitts—everything, in short, which he has to buy is taxed so that an "infant" may live upon him. A drop of one or two degrees in temperature is enough when the weather is cold to turn water into ice, and when his products are low and the value of his land declining the loss he sustains from protection is quite enough to bankrupt many a farmer and make all a good deal poorer than they would be if allowed to buy in the cheapest market where they have to sell.

Protectionists say, "Yes, but the American farmer is taxed even more heavily." This is a half truth. They acknowledge by levying duties on American goods that many manufactures are cheaper in the United States than here notwithstanding the higher average of the American tariff. The chief reason is that it is cheaper to manufacture for a large than for a small market. In the one, the manufacturer has to devote himself to several lines;

in the other, consumption being so much greater, he can adapt his labor and machinery to the production of a single article. Besides, in the United States coal and iron, the basis of most manufactures, are cheaper than in the manufacturing province of Ontario where our protectionists take pains to make them exceptionally dear. It is undeniable also that, owing to the vastly larger population, the farmer in the States gets a better price than the farmer here for most of the wares he sells at home. Our competitors in the Argentine are much more lightly taxed. On agricultural machinery they have hitherto paid but five per cent., quite lately, however, the duty has been raised to ten. The duty on cotton goods is twenty per cent. On iron and steel goods the duty ranges from five to fifteen per cent. The valuation of imported goods on which the duty is collected has recently been reduced, so that the ad. valorem taxation is less than it was. When the Argentines emerge from the slough into which they have been plunged by over-booming and issuing currency with nothing behind it they are certain to prosper. As it is, they rank second among wheat-exporters and are well up in wool, mutton and corn. "The increase of area cultivated," says a British Foreign Office report (No. 1,495, Argentine Republic, 1895), "has been astonishing in the last few years. In 1869, cultivation only covered 180,000 acres; in 1891, the probable area was 7,500,000 acres; this year it is doubtless double that amount, or 15,000,000 acres. The area estimated to be suitable to cereals has been put at 375,000 square miles, of which only five per cent. is now cultivated, so that there is practically unlimited room for extension in the future." There is no prospect in Europe at present of any abiding rise in the price of farm products; in fact, with Britain laboring to develop India and Argentine and France and Italy to develop Northern Africa, from which the old Romans drew food, the chances are that wheat at any rate will continue low. The British farmer is turning more and more to dairying, so are those of Denmark, Norway and other continental countries. Australia is just entering the field, and the Americans are likely to increase their surplus. Under such conditions it is of prime moment to the Canadian farmer that he should enjoy greater liberty in exchanging his wares for factory goods and be no longer preyed upon by monopoly.(a)

Bear in mind that the importer, who has to pay the duty in the first instance, charges his profit on it when he sells the goods. The dealer in bar

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(a) Protectionists talk as if a majority of the Canadian people were dependent upon the "infants." The census commissioner tries to lend color to this view by classing the thousands of shops belonging to blacksmiths, carpenters, butchers, &c., who are directly or indirectly injured by the tariff, among the "industrial establishments." The *Statistical Year Book*, 1893, p. 180, gives the following classification of the 1,659,000 persons reported by the census as engaged in occupations:—

Agriculture, mining and fishing.....	790,210
Trade and transportation.....	186,695
Manufacturing and mechanical pursuits.....	320,001
Domestic and personal services.....	246,183
Professional avocations.....	63,280
Non-productive class.....	52,986
	1,659,355

There are 13,417 miners. If any of them are benefited by protection they would be benefited still more by free trade with the United States. Of the 320,000 persons in manufacturing and mechanical pursuits not more than 60,000 at the extreme outside are engaged in industries that benefit by protection.

iron who has to pay a duty of ten dollars a ton, the dry-goods man who has to pay 30 per cent. on his cottons, has to employ just so much more capital in carrying on his business, and is justified in getting a return for it. Thus the tribute which the "infants" have the power to exact is often greater than the amount of the duty, high as that is. After sixteen years of this legalized plundering they are as vehement as ever in protesting that they are too weak to shift for themselves and must be protected a little longer. If we were foolish enough to protect them sixteen years more, or sixty, they would still clamor for the spoon. There is no instance in history of an "infant" voluntarily relinquishing it.

But, it is said, tariff reform would cause disturbance. "Look," cry protectionists, "at the panic in the United States when the Wilson bill was proposed and passed." The panic there arose, as every intelligent person knows, from silver and overtrading. It soon passed away and business is recovering while in Canada it is still dull. The wages of over 350,000 men have been increased since the passage of the Wilson bill (August 16, 1894). The Bureau of Statistics at Washington shows that the exports of manufactures from January 1 to August 31 of the present year were greater than the exports during the same period of 1894, and, if they keep up till December, will be greater than the exports in any previous twelvemonth in the history of the United States. These and other results which the protectionists never expected to see are discrediting McKinleyism. The other day the Republicans of Massachusetts, in dealing with the tariff plank, declared that they were as ready to learn wisdom from their enemies as from their friends, and pointed the way to a new industrial era and a new political shibboleth.

Patrons ask that trade shall be free in the following articles : Cottons, tweeds, woollens, workmen's tools, farm implements, fence wire, binder twine, coal oil, iron and corn. The freeing of cottons, woollens and iron would greatly augment trade with Britain, who would take more farm products from us, besides diminishing the household expenses of the farmer. Britain, a truly generous parent to Canada, has been shabbily treated by Canadian protectionists. The liberation of the other articles would reduce the cost of raising crops and increase trade with the United States. Patrons want all the free trade, reciprocity and tariff reform they can get. They understand, of course, that a large revenue has to be raised—for the last two years there have been serious deficits—but they recommend the heavier taxation of luxuries.

Protection never yields without a struggle. When first imposed it is going to be only temporary, but it clings to its special privileges and upholds the abuses to which they give birth till the people rise in their might and by a supreme effort terminate its unjust reign. Its overthrow in England was brought about in part by the Irish famine. But for that catastrophe it might have withstood the efforts of the reformers for another generation. We all know how bitter the fight has been in the United States even to reduce a tariff framed to meet the necessities of war. We know, too, the powerful influence which protection wields in Canada, with its money wrung from the consumer, its subsidised newspapers, its well-paid speakers retailing the old sophistries ; above all, in being the accepted policy of a political party in a community where party worship is strong. But let us not be dismayed. Our cause is righteous, God is just, and the times are ripe for change.